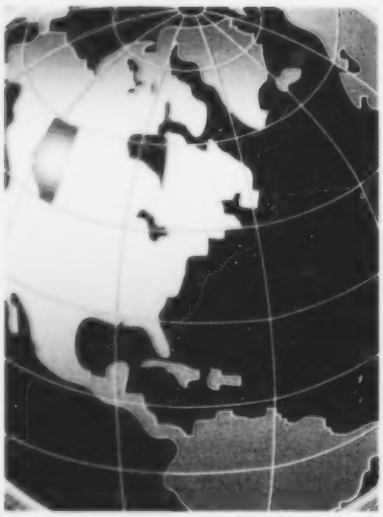

Alberta Economic Development

2005-06 Annual Report

Alberta
Economic Development

Regional Offices

CALGARY
Suite 300, 639 - 5 Avenue SW
Calgary, Alberta T2P 0M9
Phone: (403) 297-8920
Fax: (403) 297-6168

CAMROSE
5005 - 49 Street
Camrose, Alberta T4V 1N5
Phone: (780) 679-1235
Fax: (780) 679-1250

EDMONTON
5th Floor, Commerce Place
10155 - 102 Street
Edmonton, Alberta T5J 4L6
Phone: (780) 427-2005
Fax: (780) 422-5804

EDSON
111 Provincial Building
111 - 54 Street
Edson, Alberta T7E 1T2
Phone: (780) 723-8229
Fax: (780) 723-8240

GRANDE PRAIRIE
Box 20, 3501 Provincial Building
10320 - 99 Street
Grande Prairie, Alberta T8V 6J4
Phone: (780) 538-5230
Fax: (780) 538-5332

LETHBRIDGE
105 Provincial Building
200 - 5 Avenue S
Lethbridge, Alberta T1J 4L1
Phone: (403) 381-5414
Fax: (403) 381-5741

MEDICINE HAT
109 Provincial Building
346 - 3 Street SE
Medicine Hat, Alberta T1A 0G7
Phone: (403) 529-3630
Fax: (403) 529-3140

PEACE RIVER
Bag 900-3, 105 Provincial Building
9626 - 96 Avenue
Peace River, Alberta T8S 1T4
Phone: (780) 624-6113
Fax: (780) 624-6490

PINCHER CREEK
221 Provincial Building
Box 2138
Pincher Creek AB T0K 1W0
Phone: (403) 627-1165
Fax: (403) 627-3375

RED DEER
2nd Floor, Provincial Building
4920 - 51 Street
Red Deer, Alberta T4N 6K8
Phone: (403) 340-5300
Fax: (403) 340-5231

ST. PAUL
308 Provincial Building
5025 - 49 Avenue
St. Paul, Alberta T0A 3A4
Phone: (780) 645-6358
Fax: (780) 645-6241

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

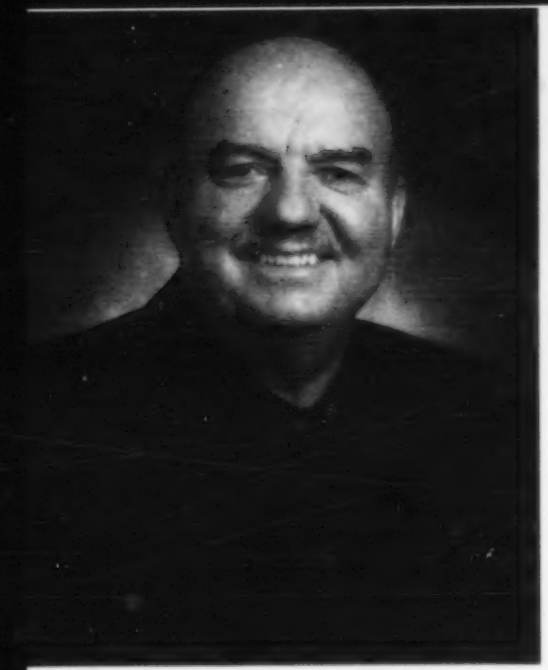
The annual report of the Government of Alberta released June 26, 2006 contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Economic Development contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2006, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 6, 2006 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Clint Dunford
Minister of Economic Development



Message From The Minister

Alberta continues to prove that it is the best place in the world to live, visit, and do business. Our province has the highest rate of growth in Canada, has one of the most dynamic economies in the world, and Albertans now lead the nation with the highest average weekly incomes. Combine these strengths with our high quality of life and you have the Alberta Advantage. Economic Development is committed to capitalizing on our advantages during this surge in economic growth to preserve our prosperity for generations to come.

One of the ways Economic Development has enhanced the Alberta Advantage over the past year is through the implementation of a provincial tourism levy. Created in consultation with industry stakeholders, this 4% levy replaced the 5% hotel tax on April 1, 2005. The new levy is now a significant and sustainable source of funding for tourism marketing and development projects for every region of Alberta. More revenue means that Alberta will be more competitive with other tourist destinations, both in terms of promotions and in the development of new and improved tourism products.

Tourism is a major component of Economic Development's mandate, but there are also many other programs we are working on. Many of these programs will help to alleviate the challenges we now face in our thriving economy. The need for more workers in many industry sectors is an immediate concern, and Economic Development is working through the Provincial Nominee Program to assist businesses unable to find Albertans to fill positions. Another challenge is to ensure that Albertans get the best returns possible for our natural resources. Through the Alberta government's value-added strategy, *Securing Tomorrow's Prosperity*, and in conjunction with industry partners, Economic Development is assessing ways to use our natural resources to create finished products worth far more than the raw materials from which they are made.

There is no denying that all eyes are on Alberta. Whether it is a *60 Minutes* feature on our oil sands, Alberta cowboys promoting the province in New York, or our stunning scenery showcased in film, Alberta is drawing worldwide attention. With our heightened profile, this is no time to be complacent. We have a golden opportunity: we have large supplies of a precious natural resource, a stable economic climate, and the skilled people and the technology to succeed in competitive world markets. We are on track to secure tomorrow's prosperity.

Clint Dunford
Minister of Economic Development

Management's Responsibility for Reporting

The Ministry of Economic Development includes the Department of Economic Development.

The executives of the department have the primary responsibility and accountability for the department. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Economic Development. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

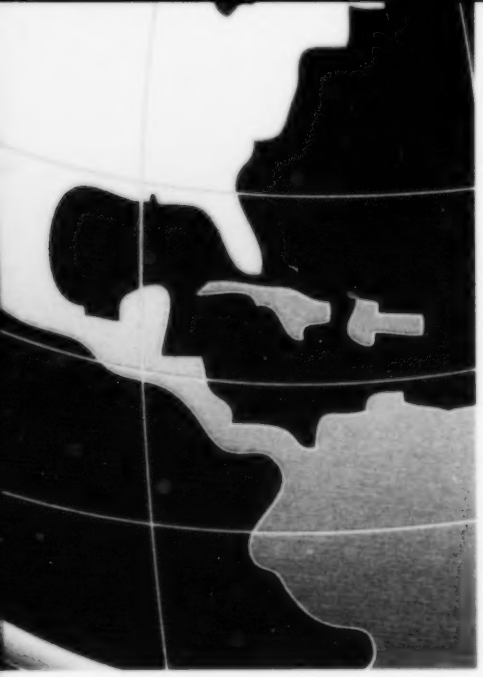
As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

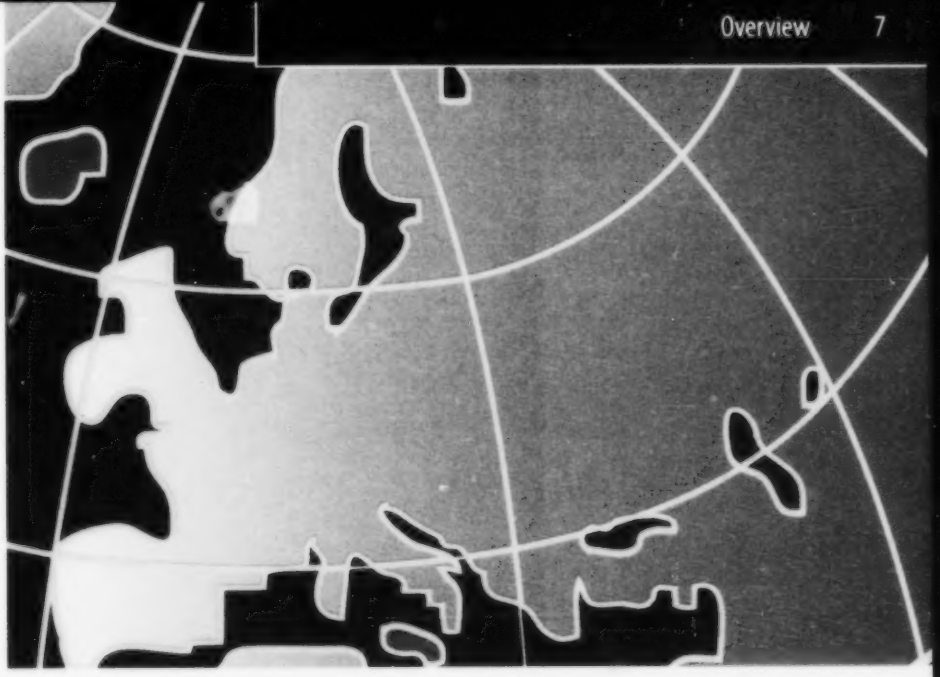
- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the Province under Ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Economic Development any information needed to fulfill their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executives of the department.

Rory Campbell
Deputy Minister
Ministry of Economic Development

September 6, 2006





Overview

Ministry Entities

The Ministry of Economic Development includes the Department of Economic Development as the reporting entity for budget purposes. The Ministry receives advice from a number of advisory bodies. The two major advisory bodies are the Alberta Economic Development Authority (AEDA) and the Strategic Tourism Marketing Council (STMC). AEDA represents the Alberta private sector and works in partnership with government to help shape policy by providing advice on business and economic development issues. The STMC includes both government and private sector representation and provides guidance regarding tourism marketing strategies.

Vision

Alberta is the best place in the world to live, visit and do business.

Mission

To facilitate business and community prosperity.

Ministry of Economic Development

- Visit http://www.alberta-canada.com for more information.
- Call (780) 427-0458

Alberta Economic Development Authority (AEDA)

- AEDA is a private sector, volunteer advisory body that works in partnership with the government to help shape policy and economic strategies by providing advice on business and economic development issues.
- Visit http://www.alberta-canada.com/aeda/index.cfm for more information about the Authority, including AEDA's annual Activity Report.

Strategic Tourism Marketing Council (STMC)

- The STMC is an advisory body with both government and private sector representation.
- It provides guidance to the Travel Alberta Secretariat regarding tourism marketing.
- It also develops the Strategic Tourism Marketing Plan, which is available online at http://industry.travelalberta.com/strategicplan/.

Operations

Economic Development works in partnership with business, industry associations, other provincial ministries and other governments to:

- provide quality information and intelligence,
- increase the growth and competitiveness of value-added sectors,
- expand export and trade,
- facilitate regional economic development,
- attract investment and
- promote tourism.

Corporate offices are located in Edmonton and Calgary, and operations are also carried out regionally and internationally. Regional economic development offices are located in Grande Prairie, Peace River, St. Paul, Edson, Camrose, Red Deer, Lethbridge, Pincher Creek, and Medicine Hat. International offices in China, Hong Kong, Japan, South Korea, Taiwan, Mexico, Germany and the United Kingdom focus on attracting new investment, creating partnerships, networks and alliances, providing strategic market intelligence, showcasing Alberta and promoting Alberta's established and emerging industries to the world. More information about the activities and results of the international offices may be found in the Alberta Economic Development *2005-06 International Offices Activity Report*.

The China National Petroleum Corporation – Alberta Petroleum Centre (CAPC), located in Beijing, China, is an international partnership between the China National Petroleum Corporation and the Government of Alberta. The Board of Directors, which is composed of representatives of both China's and Alberta's energy sectors, oversees the strategic management of the CAPC. The focus of the CAPC is to enhance and promote the training and exchange of petroleum science technology between China and Alberta, offering advanced petroleum technology and information to the oilfields of China, and facilitating China-Alberta trade and investment in the energy sector.

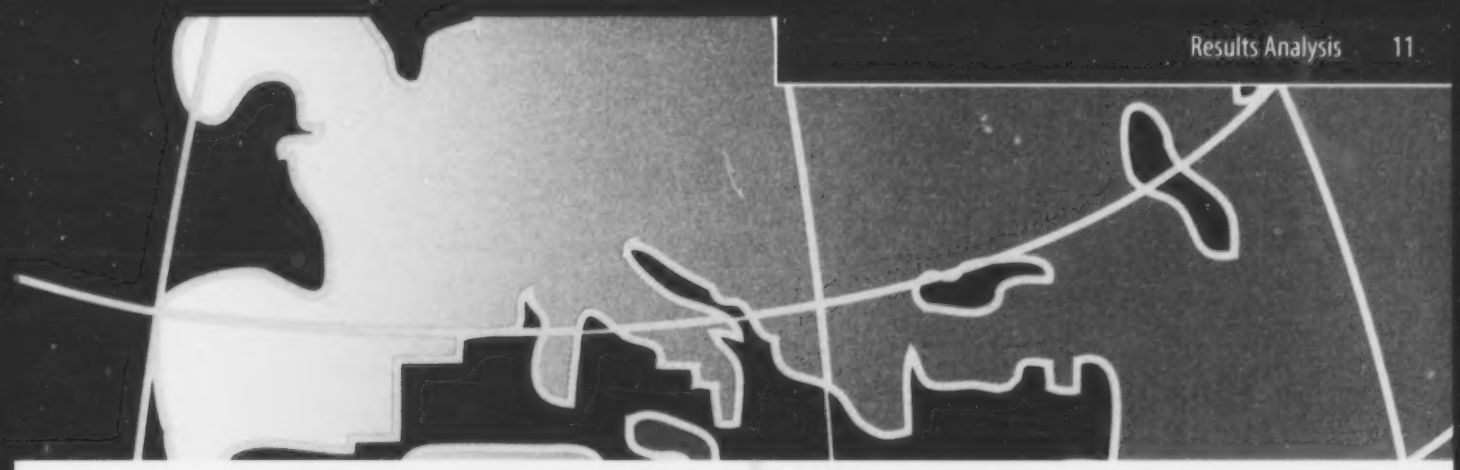
Tourism marketing initiatives are carried out through Travel Alberta, located in Calgary. The Strategic Tourism Marketing Council provides guidance to Travel Alberta and develops the *Strategic Tourism Marketing Plan*. In turn, Travel Alberta manages contracts with agencies for in-province, national and international tourism marketing. Along with destination awareness campaigns, tourism marketing projects are carried out in partnership with the private sector. Travel Alberta also provides tourism marketing support to six Tourism Destination Regions throughout the province.

In support of tourism marketing, the department provides tourism services through a centralized contact centre, 10 visitor information centres and the TravelAlberta.com website. In addition, Economic Development works with tourism operators, investors, developers and other stakeholders to develop, enhance and expand Alberta's tourism product base. The Aboriginal Tourism Advisory Council, established in 2005, provides advice to Economic Development regarding the development and marketing of Aboriginal tourism products.

The department also houses the Alberta Film Commission, which markets Alberta as a filming locatio. , assists filmmakers with location information and scouting, and operates as a liaison with facilities, services, businesses and government. The Film Commission Advisory Council provides advice to government on the direction and strategies for the growth and sustainability of the film industry. It is comprised of industry representatives, including unions, guilds, producers, industry associations and provincial and municipal film commissions.

The Agri-Food Industry Advisory Group, composed of senior executives in the Alberta Food Processing Industry, provides insight on challenges and issues in the food processing industry to the Minister. Specifically, the Group provides feedback and advice on international trade and competitiveness issues.

The Alberta-Canada.com website provides a broad range of client-driven economic and business information for Alberta companies and organizations, and delivers strategic intelligence to business clients via the Electronic Business Intelligence Service (EBIS). The department also supports AlbertaFirst.com, a provincial-local government partnership to help promote business investment and attraction in Alberta municipalities.



Results Analysis

Deputy Minister's Message

Alberta is the place to be. We continue to experience unprecedented economic expansion, leading the nation in GDP growth in 2005, and the future looks bright. Here at Economic Development it is our job to support this growth by promoting our advantages at home and abroad, providing information and strategic advice to businesses, and working with regions throughout the province to identify and pursue economic development opportunities. The achievements highlighted in this annual report demonstrate some of the successes we have enjoyed this year.

Economic Development is proud of its many contributions to our growing prosperity. One contribution has been to help attract more visitors to the province. To help increase visits from key tourism markets like British Columbia and Saskatchewan, Travel Alberta has launched the Holiday Card program. More than 100,000 travelers have already signed up for the program and receive special offers and holiday packages from tourism operators across the province.

Another area where Economic Development is supporting expansion is through the implementation of *Securing Tomorrow's Prosperity*, the value-added strategy. One key component was the *Alberta Bitumen Processing Integration Study*, which was developed jointly with Energy and industry partners. The study is part of the work of the Hydrocarbon Upgrading Task Force, which is an industry/government partnership examining opportunities for extracting the maximum value from Alberta's oil sands. Economic Development is also collaborating with other departments and the private sector to promote Alberta's heavy oil and oil sands technologies and expertise to other countries with similar resource deposits. A comprehensive guidebook and directory were developed for international distribution.

As our department works to enhance important sectors of the economy, we are keenly aware of the labour shortage facing our province. Along with Human Resources and Employment, Economic Development has co-lead responsibility for immigration policy. Working with a number of departments, we contributed to the development of a new immigration policy for the Government of Alberta, which is now part of the province's labour force development strategy, *Building and Educating Tomorrow's Workforce*. Within Economic Development, we expanded the Provincial Nominee Program, which is an employer-driven program that allows companies to recruit foreign skilled workers if Canadians are not available to fill the jobs. We also developed an Immigration Marketing Strategy and assisted in the recruitment of workers through international missions such as Euromission to the United Kingdom, France, Germany, and Belgium.

Although Alberta is on course for sustained economic growth, our province faces a number of challenges such as the labour crunch, improving productivity, and encouraging more value-added industry. Economic Development is committed to addressing these and other issues to ensure that Alberta remains the best place to live, visit, and do business.

Rory Campbell
Deputy Minister
Ministry of Economic Development

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the *Ministry of Economic Development's 2005-2006 Annual Report*. My responsibility is to carry out the following specified auditing procedures on performance measures in the annual report. I verified:

Completeness

1. Performance measures and targets matched those included in Budget 2005. Actual results are presented for all performance measures.

Reliability

2. Information in reports from external organizations, such as Statistics Canada, matched information that the Ministry used to calculate the actual results.

3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

Comparability and Understandability

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

I found no exceptions when I performed these procedures.

As this examination was limited to these procedures, I do not express an opinion on whether the set of measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
August 1, 2006

Discussion and Analysis of Results

This section provides a discussion and analysis of financial and non-financial results focusing on information related to expenditures, key achievements and performance measures for the Ministry's three core businesses.

Financial information for each core business is given in the table below. It states the budget and the actual spending for the year ended March 31, 2006.

Ministry Expense by Core Business
Year Ended March 31, 2006

(in thousands)	Budget	Actual Before Allocation of Support Services and Valuation Adjustments	Support Services and Valuation Adjustments Allocated	Total Actual
Core Business				
1. Strategic Economic Leadership and Business Intelligence	$ 6,780	$ 5,810	$ 405	**$ 6,215**
2. Industry and Regional Development, Trade Promotion and Investment Attraction	28,053	26,261	1,828	**28,089**
3. Tourism Marketing and Development	44,917	42,027	2,927	**44,954**
Support Services		4,739	(4,739)	
Valuation Adjustments and other provisions		421	(421)	
Total Ministry Expense	$ 79,750	$ 79,258	$ 0	**$ 79,258**

There was one significant variance between the budget and actual spending for 2005-2006. Underspending in core business one of $565,000 was used to cover unbudgeted capital expenditures of $407,000. These capital expenditures included the purchase of new trade show booths and computer equipment.

The total ministry expense of $79,258,000 was dedicated to one expense function of the Government of Alberta: Agriculture, Resource Management and Economic Development.

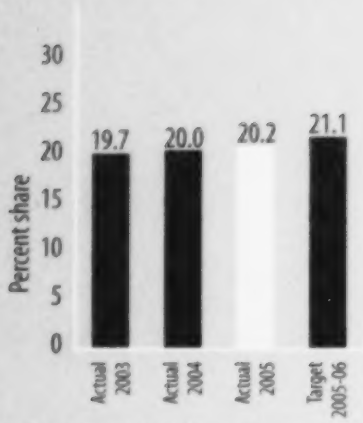
The following section reports on performance results for each of the three core businesses. It outlines the key achievements and performance measure results for each goal. Where appropriate, external factors affecting performance measures have been identified.

Core Business 1: Strategic Economic Leadership and Business Intelligence

Expenditures on core business one were about $6.2 million in 2005-06. This core business combines ministry functions of policy development, economic research and analysis (including the publication of regular economic and business reports), support to the Alberta Economic Development Authority, information management, business planning and performance measurement. It includes two goals. Key achievements for these two goals demonstrate the broad strategic direction the department provided towards achieving economic growth and diversification in Alberta, as well as specific economic and business intelligence required by businesses.

Performance Measures

1. Percent share of GDP in manufacturing and business and commercial services (Real GDP in chained 1997 dollars)[1]



Source: Statistics Canada, Provincial Economic Accounts
Note: Historical data have been revised based on the most recent Statistics Canada data as of May 2006.

[1] This measure has been changed from *Percentage share ... to Growth in manufacturing and business and commercial services (Real GDP in chained 1997 dollars, billions)* in the 2006-09 Business Plan. A growth measurement more clearly reflects how well individual sectors perform over time, whereas *Percentage share* is a measure of the relative weight of individual sectors against the entire economy, and can therefore be obscured by relatively strong or weak performances of other sectors of the economy such as a dominant energy sector.

Goal 1

Facilitate Economic Growth and Diversification Through Collaborative Strategic Planning and Policy Development

Key Achievements

- Continued to lead *Securing Tomorrow's Prosperity* (STP), including development of a report monitoring progress being made on the outcomes and targets of this long-term economic value-added strategy. This strategy is aimed at keeping Alberta's economic base competitive, sustainable and driven by knowledge and innovation by raising awareness within industry and government of the importance of continued productivity gains.

- Developed the *Alberta Bitumen Processing Integration Study* in collaboration with Energy and industry partners. The study supports the work of the Hydrocarbon Upgrading Task Force by providing a tangible example of how petroleum and petrochemical producers can integrate into an eco-industrial complex to extract maximum value from oil sands bitumen in Alberta.

- Developed a policy framework, in collaboration with Human Resources and Employment, Advanced Education and International and Intergovernmental Relations, for a more coordinated and active government-wide immigration policy. Data was provided in support of the economic need for changes to immigration policies and is now one element of the labour force development strategy, *Building and Educating Tomorrow's Workforce*. The immigration policy framework is one of three strategies adopted by the Alberta government to address skill shortages. It complements other strategies such as increasing the skills and knowledge of Albertans and enhancing opportunities for other Canadians to work in Alberta. The policy includes attraction and retention of immigrants in Alberta, working with the federal government to improve the processing time for foreign credential recognition and offering more training to address skills gaps and enhance language training.

Analysis

- Performance indicators of Alberta's economy provide guidance in assessing Economic Development's performance where there are no direct measures for the Ministry's contribution to the economy. The percentage share of GDP gives an indication of economic growth annually for the priority sectors on which the ministry focuses.

- In 2005, the share of GDP in manufacturing and business and commercial services grew by 0.2 percentage points to 20.2 %. The share of the manufacturing sector rose by 0.3 percentage points due to high growth of Alberta's manufacturing industry, whereas the business and commercial services' share dropped by 0.1 percentage points because of weak growth in professional, scientific and technical services. The overall increase in the percent share of GDP in manufacturing, business and commercial services is attributed to Alberta's booming economy, especially the oil and gas construction sectors.

- Statistics Canada has revised the historical data for the *Percent share of GDP in manufacturing and business and commercial services*. Because of the downward revisions to results for manufacturing, professional, scientific and technical services, and an upward revision to total Alberta GDP, the target of 21.1% was unattainable.

Goal 2

Provide Client-Driven Economic and Business Information and Intelligence

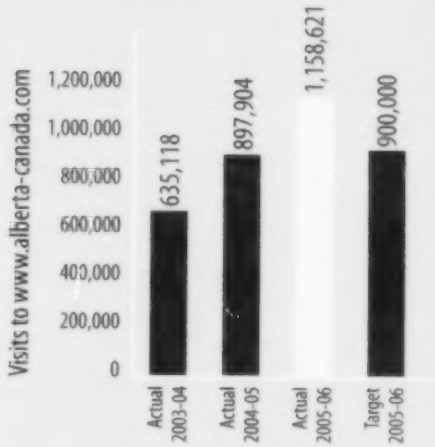
Key Achievements

- Conducted the *2005 Place-to-Place Price Comparison Survey for Selected Alberta Communities* in collaboration with Finance and Education. This report provides individuals, businesses, and other organizations with cost-of-living type information and analysis across various Alberta communities. This survey will provide information that will help individuals and businesses determine the most cost-efficient communities for relocation options, establishment of businesses, and with parties involved in labour contract negotiations.

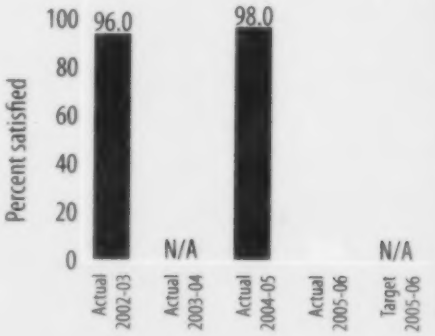
- Completed the *Economic Outlook* presentations available at http://www.alberta-canada.com/statpub/economicOutlook/. The presentations were updated on a quarterly basis and provide an overview of the recent performance and short-term outlook for the Alberta and Canadian economies and their major trading partners, such as the U.S., China, Japan and the European Union. It also includes submissions from Alberta's international offices and Economic Development's sector teams reporting on specific international markets along with industry opportunities and challenges. These reports assist Alberta businesses to gauge business opportunities within Alberta, along with their major export markets' economic outlook.

- Published *Highlights of the Alberta Economy*. This annual publication includes significant highlights of the Alberta economy, and documents the advantages of locating or operating a business in Alberta. Comparisons to other provinces and states are also presented. It includes sections on the structure of the Alberta economy and its major industries; corporate and personal tax comparisons; industrial cost competitiveness; and provincial debt and assets.

Performance Measures[2]



Source: Economic Development



Source: Economic Development

[2] A new measure: *Demand for business information delivery through the Business Link and the Calgary Business Information Centre: Walk-in/Phone/E-mail* has been added to the 2006-09 Business Plan.

[3] Results for this measure are obtained from a biennial survey. In 2005-06, the survey was not conducted; therefore no new results are available.

Analysis

- The number of visits to the department's website increased to 1,158,621, well above the target of 900,000. While Internet traffic continues to grow in general, the increase may also be attributed to rising interest in Alberta's economy in the global marketplace and ongoing marketing of the website by department staff and through department publications. The Alberta Oil Sands program segment broadcast by *CBS News* in the U.S. contributed to higher traffic to the website.

Core Business 2: Industry and Regional Development, Trade Promotion and Investment Attraction

The $28.1 million expended on core business two was allocated to trade development ($14.1 million) and investment, industry and regional development ($14.0 million). Trade development expenditures include support for the international offices, as well as trade development and relations activities emanating from Alberta and are primarily directed toward goal four: *increase exports of Alberta value-added goods and services*. Investment, industry and regional development expenditures are the focus of goals three, five and six. Key achievement and performance measures for all four goals of this core business are discussed in the following pages.

Goal 3

Increase the Growth and Competitiveness of Alberta's Value-Added Sectors

Key Achievements

• Facilitated technology awareness missions to Europe for the building products and metal fabrication sectors. These missions provided participating Alberta companies with opportunities to network, exchange information, and learn about world-class manufacturing technologies and best practices. Companies that have attended these missions are actively pursuing technology acquisition and realising increased productivity and revenue.

• Coordinated industry networking sessions. For example, partnered with the Canadian Manufacturers and Exporters on the 6th Annual Alberta Buyer / Seller Forum, which brought together members of the oil and gas and services industries to learn about supply chain development and how best to access the bid lists for Alberta's oil and gas projects and developments. This year's event was held in Calgary, with nearly 300 industry representatives in attendance.

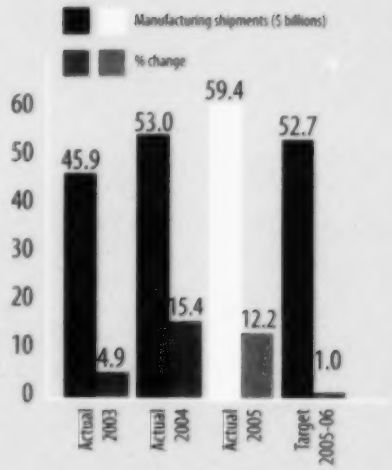
• Worked with the Alberta industry, federal government and other provincial governments to identify and promote opportunities across Canada that would increase the manufacturing capacity for oil sands development through strategic partnering. For example, the Ministry facilitated a mission of New Brunswick-based metal fabricators to Alberta to discuss supply chain partnership opportunities with local metal fabrication firms. New Brunswick companies highlighted their operations and have discussed sub-contracting work from Alberta businesses to address issues of local capacity shortages.

• Undertook initiatives to support the adoption of business improvement practices. Thirty-five lean manufacturing assessments were conducted for Alberta industry and "improvement plans" were prepared resulting in production increases, reduced cycle times, cost savings and anticipated increased total sales. The department also partnered with industry associations, economic development agencies and other manufacturing industry stakeholders to deliver Alberta's Innovative Manufacturing Week. Industry events were organized across the province showcasing industry innovation and capabilities, and encouraging industry to pursue continuous improvement.

• Conducted a High Definition (HD) training seminar, which involved all key stakeholders in the Alberta film industry along with SAIT, NAIT and the Banff Centre. More than 500 participants attended the events, which took place in both Edmonton and Calgary, with 34 presenters from across North America. HD is the emerging worldwide production technology trend. The training seminar provided ensures that the Alberta film industry has the technical capabilities and knowledge to compete with international film producers using the new technology.

• Facilitated the International Financial Institution (IFI) Bootcamp, in collaboration with Western Economic Diversification Canada, Calgary Economic Development, Saskatchewan Trade and Export Partnership, Manitoba Trade and Investment, and other private sector partners. Twenty companies participated in the 5-day workshop held in Kananaskis in October 2005, which focused on improving business development skills. The IFI Bootcamp focused on how to write winning proposals for international financial institutions. The five-day program gave participants insight into the mandates of the financial institutions for funding of projects and also an opportunity to participate in a combination of classroom study and real world application.

Performance Measures[4]



Source: Statistics Canada, CANSIM, Tables 304-0014 and 304-0015
Note: Historical data have been revised based on the most recent Statistics Canada data as of May 2006.

[4] A new measure: *Business investment in machinery and equipment in Alberta as percent of GDP (Real GDP in chained 1997 dollars)* has been added to the 2006-09 Business Plan.

Analysis

• This performance indicator provides guidance in assessing performance where causal links are not necessarily obvious. It measures revenue generated/earned by Alberta companies through the sale of goods (not services) domestically and internationally and is used as a general indicator of competitiveness.

• Manufacturing shipments increased from $53.0 billion in 2004 to $59.4 billion in 2005, significantly exceeding the target of $52.7 billion. Most of the growth was volume related and the result of Alberta's booming economy. Strongest growth revealed: machinery up 31.0% because of higher volumes, especially to the oil sands; refined petroleum up 27.4% due to higher fuel prices; non-metallic minerals up 21.5% mostly because of higher volumes in construction materials; primary metals up 17.9% due to higher volumes of steel products for Alberta's oil and gas sector and for export markets; and plastics up 23.8% mostly because of higher volumes.

Goal 4
Increase Exports of Alberta Value-Added Goods and Services

Key Achievements

• Organized Premier- and Minister-led missions to international markets to strengthen trade relations and support market entry by Alberta companies, including Premier Klein's mission to New York in June 2005 and Minister Dunford's to Houston and Austin, Texas, and Denver, Colorado in May 2005. Premier Klein's mission featured meetings with Wall Street investors and analysts, local site-selectors, a full-day Alberta Day celebration at the New York Stock Exchange and media sessions with the *Wall Street Journal*, *Business Week* and *Forbes Magazine*. In addition, the Premier, Murray Smith, Alberta film producers, representatives from the City of Calgary and the Ministry met with agency representatives and commercial producers from the New York area to explore short format films and commercial ventures. Minister Dunford's mission included a number of meetings with American and international energy and information and communications technology companies. The Premier- and Minister-led missions resulted in heightened U.S. and international awareness of Alberta as an attractive investment location and supplier of energy and technology solutions.

• Participated in trade shows and outgoing missions to increase potential exports of Alberta's value-added goods and services by increasing awareness of Alberta products, services and capabilities as well as providing an opportunity for buyers and sellers to meet. For example, the department recruited 10 Alberta companies to participate in the Hong Kong Natural Products Expo; organized a mission to match a German investor with an Alberta food processing facility and create export routes into the European Union; and participated in the Seoul Housing Brand Fair introducing eight Alberta companies to the Korean market. This resulted in attracting a Korean value-added building products import company to Alberta. The Ministry also organized the participation of 16 Alberta companies, research institutes, and government agencies in the Combined Exhibition of Advanced Technologies (CEATEC) conference in Japan to showcase Alberta's information and communications technology expertise and facilitated Alberta's presence at BIO 2005, the largest industry gathering for the biotechnology sector, in Philadelphia. Ten Alberta exhibiting organizations and companies conducted various business forums. See Table 1 in the Other Information section for details on other trade shows and missions.

• Coordinated the Canadian Stand for the Canadian Association for the World Petroleum Congress (WPC) in the Global Business Opportunities Centre in Johannesburg, South Africa. The Canada Stand was extremely well received by all those in attendance and was presented with a Bronze Award for its design and the extent of information available on the opportunities available in Canada and more specifically Alberta. The WPC drew 400 exhibitors, 2500 executives and high-level public officials, and 25,000 visitors. Showcase Alberta also undertook the production of the Canada Networking Reception during the WPC, which was attended by Premier Klein and Energy Minister Melchin.

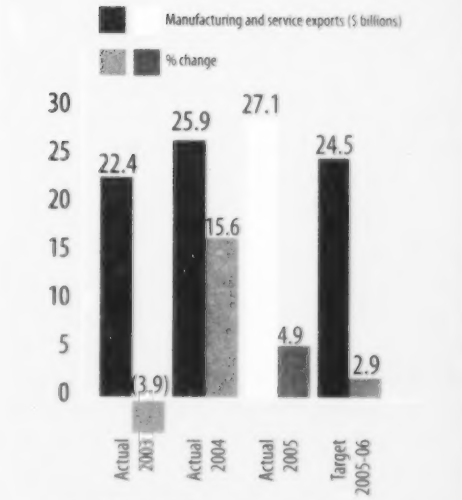
• Organized 12 mission participants on the Alberta Microsystems and Nanotechnology Mission to Germany and the Netherlands. Alberta's capabilities in nanotechnologies attracted major European multinational corporations and key research institutes to meet with the Alberta participants. The 12 participants included representatives from Alberta micro-systems and nanotechnology businesses as well as the National Institute for Nanotechnology (NINT) and the University of Alberta. During the mission, the NINT signed a Memorandum of Understanding (MOU) with the MESA+ Institute in the Netherlands. The MOU provides an opportunity for the two institutions to work together on a variety of initiatives such as joint projects and staff exchanges, and will benefit the nanotechnology industries in both countries through increased collaboration and partnership.

• Delivered seminars and training sessions to promote Alberta products to export markets. For example, a series of six workshops entitled "Beyond Chopsticks" were delivered to Alberta agri-food exporters interested in the Chinese market. Additionally, food buyers from a number of U.S.-based cruise lines participated in an information and networking session with Alberta agri-food companies. The department also delivered the Alberta-Canada Energy Efficient Building System seminars in both Beijing and Shanghai where 10 Alberta companies participated in the mission and met with key Chinese developers and building officials at networking events to discuss potential partnership opportunities.

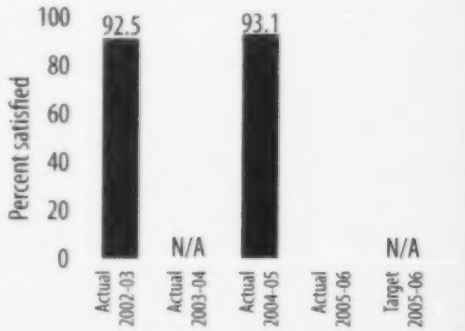
• Produced a comprehensive guidebook and directory, as part of the Heavy Oil Alberta Project consortium, to promote Alberta's heavy oil and oil sands technologies and expertise in the global marketplace. The guidebook features profiles of Alberta's heavy oil experience and homegrown technologies along with a directory of industry stakeholders. The guidebook and directory are being distributed internationally to promote the Alberta heavy oil industry and create business opportunities in international markets, which require our specialized heavy oil knowledge, expertise, and innovative technologies.

• Worked with Alberta Agriculture, Food and Rural Development to design and implement the $30 million Alberta International Beef Market Development Fund (AIMBDF). The fund assists the beef industry to recover international markets for beef that were negatively impacted as a result of the BSE crisis. An industry stakeholder consultation was conducted and a 10-year strategy was developed for reclaiming and expanding markets for Canadian beef in the international marketplace. From the consultation, the Canadian Cattlemen's Market Development Council was formed to manage the AIMBDF and to manage the Legacy Funds, which includes the federal, provincial and producer funds, to support the industry in achieving its goals over the next ten years.

Performance Measures[5]



Source: Statistics Canada, Economic Development
Note: Data has been restated due to a change in the methodology for the estimation of service exports, which improves the alignment of total estimates for goods and services combined with Statistics Canada estimates.



Source: Economic Development

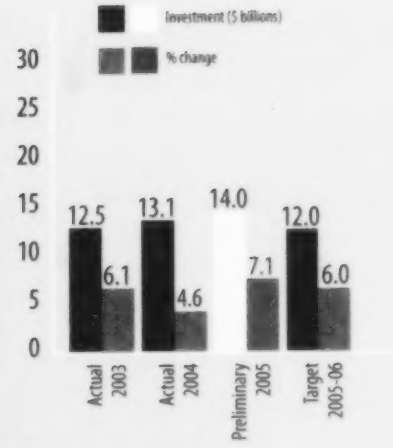
[5] A new measure: *Percent satisfied with support provided to outgoing trade shows and missions* has been added to the 2006-09 Business Plan. Results will be disclosed in the 2006-07 Annual Report.

[6] Results for this measure are obtained from a biennial survey. In 2005-06, the survey was not conducted; therefore new results are not available.

Analysis

• Value-added exports grew by 4.9% in 2005 to $27.1 billion, exceeding the target of $24.5 billion. The contributing factors to this increase were: advantageous global economic conditions such as high commodity prices and strong growth in world trade volumes, increased demand for oil and gas field equipment caused by high oil and gas prices, and several actions taken by Economic Development, such as: the implementation of the Alberta International Marketing Strategy and support provided to Alberta companies in promoting value-added exports in key sectors including information and communication technologies, health and bio-industries and aerospace. Manufacturing exports rose by 6.5%, while service exports grew by 0.9%. The strongest export growth in the manufacturing sector occurred in: petroleum and coal products (27.5%), transportation equipment (22.6%), and chemicals (21.0%).

Performance Measures[7]



Source: Statistics Canada (Cat. No. 61-205)
Note: The figure for 2005 is preliminary

[7] A new measure: *Number of provincial nominations forwarded to the federal government* has been added to the 2006-09 Business Plan. Results will be disclosed in the 2006-07 Annual Report.

Analysis

- Manufacturing and service industry investment increased to $14.0 billion in 2005, a 7.1% increase over 2004 and well above the target of $12.0 billion. Very strong growth for manufacturing investment resulted from overall strong economic conditions in Alberta, including substantial investment growth for the energy sector, which had an indirect impact on the machinery and fabricated metals industries that supply the energy sector's investment in goods and services. High global demand and prices for commodities, such as chemicals and refinery products, were additional factors accelerating the growth. Moreover, the decline of the U.S. dollar versus the Canadian dollar made machinery investment and equipment more affordable.

Goal 5

Increase the Awareness of Alberta to Potential Investors in Our Primary International Markets

Key Achievements

- Attracted more foreign investment by major Chinese oil companies into the Alberta oil sands sector. For example, China National Offshore Oil Corporation invested in MEG Energy Corporation, a privately held Canadian oil sands company, and China Petroleum and Chemical Corporation invested in Synenco Energy Inc.'s Northern Lights oil sands project.

- Developed an Immigration Marketing Strategy as part of the Alberta government's immigration policy, *Supporting Immigrants and Immigration to Alberta*, and labour strategy, *Building and Educating Tomorrow's Workforce*. The labour strategy encourages immigration and attraction of temporary foreign workers to fill skill shortages in Alberta not met by Albertans and Canadians.

- Coordinated an immigration marketing and recruitment mission to the United Kingdom, France, Germany and Belgium, promoting Alberta as a destination for foreign nationals. The German job fair attracted more than 1200 skilled workers who met with 45 Canadian companies, which resulted in job offers being made by Alberta employers. Employment opportunities for skilled workers were showcased to foreign nationals in the United Kingdom, France, Belgium, and Germany as part of the immigration promotional activities with 1500 related job postings on the www.alberta-canada.com/jobs website. Foreign worker readiness sessions were also delivered to 540 Alberta employers that are interested in hiring foreign nationals.

- Increased the number of skilled workers in Alberta through the Provincial Nominee Program, a program that allows employers to recruit and retain foreign skilled workers based on an approved business case. The program recruits foreign skilled workers only if Albertans and Canadians could not fill the skill shortage. For 2005-06, the number of candidates nominated increased by 149% (from 211 to 525) and the number of candidate landings increased by 48% (from 140 to 208).

- Promoted Alberta as an attractive location for film production and investment by participating in a number of key international film and television events in the United States and Europe. For example, events were organized in conjunction with the Alberta Japan Office in Tokyo, to market Alberta Film to Japanese film producers and film production companies. The success of the Alberta-filmed *Brokeback Mountain* and the television series *Into the West* were leveraged by placing advertisements in key industry publications in the United States.

- Secured a plant placement and a plant expansion based on successfully promoting Alberta's advantage as a cost competitive place to do business. Subsequently, a leading commercial and industrial products manufacturer decided to expand its Innisfail plant.

- Collaborated with the Alberta Japan Office, Canadian Embassy, Canadian Tourism Commission and Travel Alberta, to market Alberta to Japan as an attractive film location through the Alberta Film Location Seminar (nearly 80 Japanese film producers attended), a viewing of the Banff Mountain Film Festival including an Alberta Film Production Promotion Video (viewed by approximately 1,800 viewers) and one-on-one meetings.

Goal 6

Provide Regional Economic Development Support to Alberta Communities

Key Achievements

• Provided financial support and management advisory services to 12 regional economic development alliances (REDAs). All alliances completed strategic, multi-year business plans and annual operational plans. Performance management training sessions were held, REDA profiles updated, and other marketing tools such as the 2004-2005 REDA Annual Review publication entitled *Building Powerful Partnerships*, were created to facilitate regional economic sustainability in the global marketplace. As a result, over 250 communities are working together at a regional level to address economic development priorities.

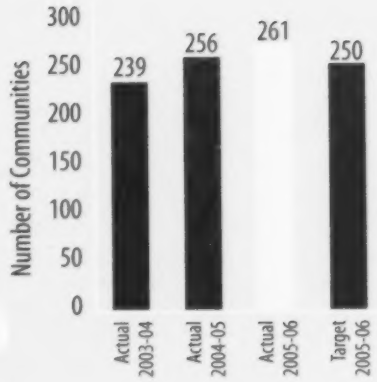
• Completed economic indicator profiles for 14 regions in Alberta, which will support strategic planning by REDAs and other organizations. The profiles are available at http://www.alberta-canada.com/regionalDev/regionalEconomicDevAlliances/ or through copies of Alberta Venture's *Alberta Market Facts Directory 2006*. The website provides economic information and business information in support of Goal 2. The profiles present snapshots of the regions' economies and trends to support strategic planning by REDAs and other organizations.

• Supported the development and implementation of the Western Economic Partnership Agreement's Rural Community Economic Development Project in collaboration with Western Economic Diversification Canada and the Community Futures Network Society of Alberta. This project provides funding to the community economic development (CED) project, available over three years, and resources for recruitment of three CED specialists for Alberta communities. The CED specialists facilitate community economic development initiatives, such as strategic planning and establishing organizations.

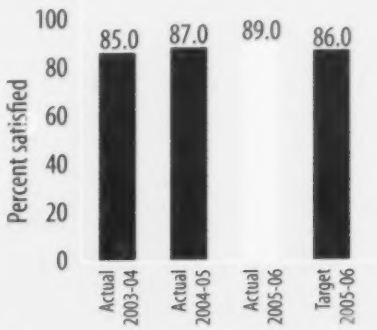
• Provided advisory assistance and financial support to the Métis Nation of Alberta Association (MNAA) for development and implementation of its annual economic development work plan. The funding assists the development of economic capacity for Métis people in Alberta and provides the opportunity for MNAA to participate in initiatives and project activities specific to economic development. Eight Aboriginal communities have been recruited as REDA members through support activities such as Aboriginal awareness training for REDA members.

• Conducted a management skills training session to 51 Aboriginal entrepreneurs in collaboration with NAIT. As well, the department partnered with The Business Link to update the *Aboriginal Albertans in Business Series*, five self-help business guides and to host an Aboriginal entrepreneurship conference involving over 150 participants.

Performance Measures



Source: Economic Development



Source: Economic Development

Analysis

• Two hundred and sixty-one communities participated in regional economic development alliances (REDAs), an increase of 2.0% over the previous year and above the target of 250 communities. From year to year, the number of communities participating in REDAs is growing as working together increases the competitiveness of Alberta's communities and regions, enhances local economic development capacity, helps meet labour challenges, and expands the innovation network.

• Eighty-nine percent of REDA management boards were satisfied with department staff support to alliances, exceeding the target of 86%. Economic Development staff assisted REDA management boards with business planning, communications, financial management, and project management. It also provided investment and administrative support.

Core Business 3: Tourism Marketing and Development

Of the $45.0 million that was spent on tourism marketing and development, $36.9 million was spent on tourism marketing, and $8.1 million on tourism services and development. The goal for tourism development is to facilitate the growth and expansion of marketable tourism product. The goal for tourism marketing is to increase visitation in and to Alberta and to increase tourism revenue. Achieving the first goal required the provision of information and advice for entrepreneurs seeking to enter the tourism industry, as well as advocating for the tourism industry and promoting development through a variety of mechanisms, often involving stakeholders, other provincial government departments, municipalities and the federal government. The key achievements and performance measures for the second goal demonstrate the government's success in promoting Alberta destinations and providing excellent service to visitors.

Goal 7
Facilitate the Growth and Expansion of Marketable Tourism Product

Key Achievements

• Created film tourism marketing campaigns for several Alberta-filmed movies. For example, Alberta Film collaborated with Travel Alberta to leverage the worldwide recognition and success of *Brokeback Mountain* and to attract visitors to the province where the film was shot. It also coordinated the initial meeting between Travel Alberta and Warner Bros. setting the stage for a marketing campaign around the release of *The Assassination of Jesse James by the Coward Robert Ford*.

• Collaborated with Alberta Community Development on an assessment of a provincial web-based reservation system and the creation of learning and enrichment travel opportunities associated with parks and historic sites. A centrally coordinated reservation system was created to allow users access to more tourist destination information. In addition, the department provided assistance in assessing the economic impact of provincial historic facilities on the provincial economy and facilitated the development of a unique Alberta Parks economic impact model.

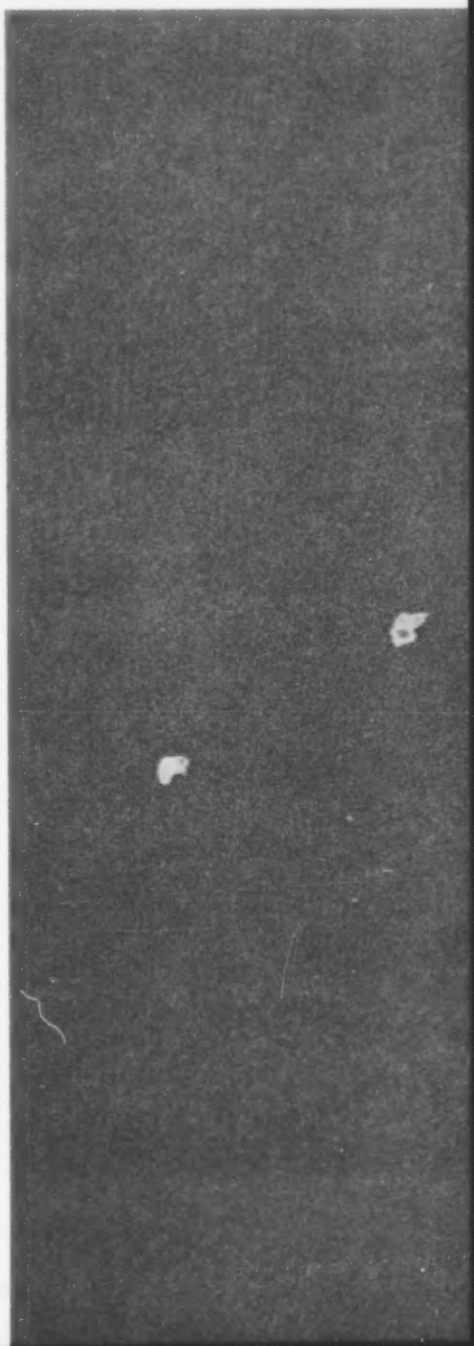
• Supported the activities of the Aboriginal Tourism Advisory Council and worked with aboriginal communities and entrepreneurs to develop new and enhanced marketable aboriginal tourism products.

• Coordinated the inaugural province-wide Tourism Investment Symposium. Ten communities from across Alberta showcased investment-ready tourism development opportunities. Over 70 industry stakeholders attended the symposium. Prior to the event, investment opportunity packages were sent to 110 targeted investors, hotel franchisers, and developers in Canada and the United States. Investment opportunity packages were also sent to all Alberta International Offices to be distributed to potential international investors. In addition, a website (http://www.alberta-canada.com/tourism/tourisminvestment) dedicated to tourism investment in Alberta was developed to provide further exposure to Alberta's tourism investment opportunities.

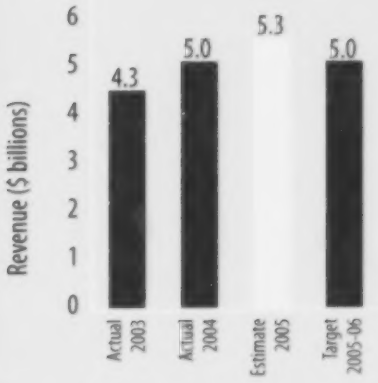
• Facilitated ongoing activities in the development of the Canadian Badlands as a tourist destination through the Canadian Badlands Steering Committee. Two community strategies were completed along with a series of six regional driving tours. Displays and a supporting brochure profiling Alberta's dinosaur resources were designed for two provincial visitor information centres, profiling Canadian Badlands resources, as well as dinosaur resources throughout the province including Grande Prairie and Grande Cache. These activities support the developing role of the Canadian Badlands as an icon destination in Alberta.

Performance Measures[8]

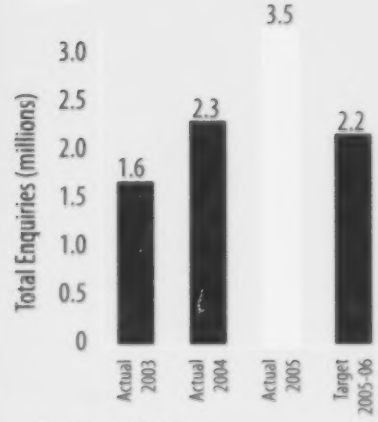
[8] A new measure: *Percent of tourism sector representatives satisfied with services related to tourism development* has been added to the 2006-09 Business Plan. Results will be disclosed in the 2006-07 Annual Report.



Performance Measures[9]



Sources: Statistics Canada, Canadian Travel Survey, International Travel Survey and Economic Development
Note: Historical data have been revised based on the most recent Statistics Canada data.



Source: Economic Development

[9] Two new measures: *Percent satisfied with overall service received through the Travel Alberta Contact Centre* and *Percent of website visitors satisfied with their experience on the TravelAlberta.com website* have been added to the 2006-09 Business Plan. Results will be disclosed in the 2006-07 Annual Report.

[10] The three indicators included in the 2004-05 Annual Report (contact centre telephone enquiries handled, other methods of contact and number of visitors to www.TravelAlberta.com) have been combined in the 2005-08 Business Plan as all three represent points of contact for tourism information.

Goal 8

Increase Tourism Visitation from Targeted Canadian and International Tourism Markets

Key Achievements

- Supported the launch of new direct air service from New York with an innovative on-the-street promotion in New York involving Alberta cowboys and participation in the New York Times Travel show in March 2006.

- Coordinated and supported the destination marketing campaign of West Edmonton Mall, Economic Development Edmonton, the City of Edmonton and Economic Development in the West Edmonton Mall Grand Prix of Edmonton Marketing Program. The Inaugural Edmonton Grand Prix was held July 15 – 17, 2005, with a worldwide viewing audience of over 14.5 million households. The exposure from this event promotes Edmonton as a key travel destination for Grand Prix fans.

- Provided timely and effective tourism information to consumers and industry partners through the 10 Travel Alberta visitor information centres, the Travel Alberta contact centre, and the TravelAlberta.com website. The *Official Alberta Vacation Guide* was produced and distributed. Accommodation and campground guides were distributed on behalf of the Alberta Hotel and Lodging Association.

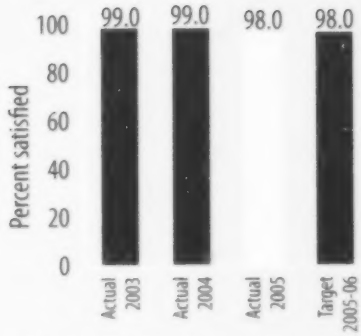
- Generated increased media coverage in all key markets to increase consumer awareness of Alberta as a tourism destination. Significant coverage included the hit Mexican television drama "Rebelde," which drew 10 million viewers in 60 countries, and a segment on ABC-TV's *Good Morning America*, which drew over 3.5 million viewers.

- Launched the Travel Alberta Holiday Card, a web-based marketing program aimed at four distinct regional marketing segments to better service the needs of potential visitors to Alberta. The Holiday Card program generated a database of more than 100,000 registered vacation planners who received coupons and information from various tourism industry operators via e-mail.

- Delivered one million copies of the *Centennial Summer Magazine* to residents of Alberta, British Columbia and Saskatchewan to raise awareness of the province's 100th birthday to complement the launch of the Travel Alberta Holiday Card Program.

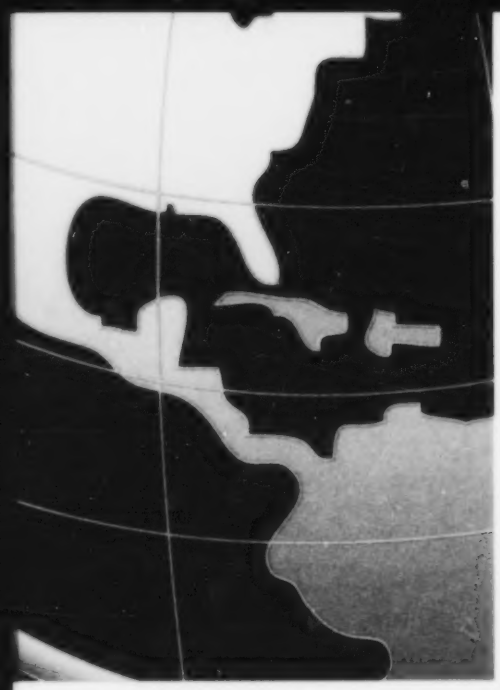
- Delivered enhanced training to visitor information centre and contact centre travel counsellors. Based on surveys conducted in 2005, 98% of information centre visitors and 98% of callers to the contact centre were satisfied with the services provided.

Performance Measures

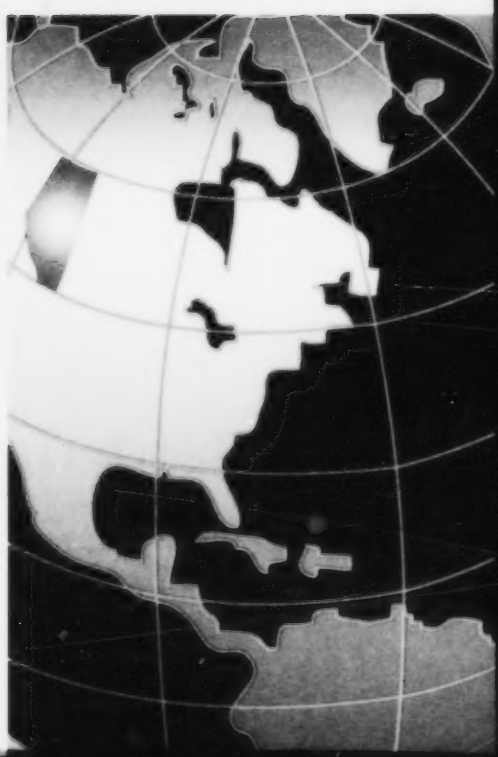


Source: Economic Development

[11] This measure has been reworded to: *Percent satisfied with overall experience at Travel Alberta Visitor Information Centres* in the 2006-09 Business Plan.



Financial Information



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Schedule 6 Salary and Benefits Disclosure

Schedule 7 Related Party Transactions

Schedule 8 Allocated Costs

Auditor's Report

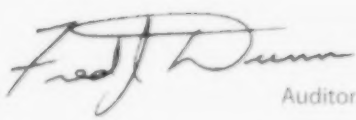
AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Economic Development as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



FCA
Auditor General

Edmonton, Alberta
May 18, 2006

Statement of Operations

Year Ended March 31, 2006

(in thousands)	2006 Budget (Schedule 4)	2006 **Actual**	2005 Actual
Revenues (Schedule 1)			
Internal Government Transfers	$ -	**$ -**	$ 14,100
Other Revenues	120	**89**	153
	120	**89**	14,253
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	4,895	**4,739**	4,415
Industry and Regional Development, Trade and Investment	26,331	**26,261**	23,337
Tourism Marketing and Development	42,160	**42,027**	24,256
Strategic Economic Leadership and Business Intelligence	6,364	**5,810**	5,407
	79,750	**78,837**	57,415
Statutory (Schedules 3 and 5)			
Valuation Adjustments Provision for Vacation Pay	-	**421**	51
	79,750	**79,258**	57,466
Net Operating Results	$ (79,630)	**$ (79,169)**	$ (43,213)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2006

(in thousands)	2006	2005
Assets		
Cash	**$ 1,983**	$ 1,975
Accounts Receivable (Note 3)	**171**	195
Advances (Note 4)	**676**	712
Tangible Capital Assets (Note 5)	**437**	60
	$ 3,267	$ 2,942
Liabilities		
Accounts Payable and Accrued Liabilities	**$ 9,497**	$ 8,616
	9,497	8,616
Net Liabilities		
Net Liabilities at Beginning of Year	**(5,674)**	(6,677)
Net Operating Results	**(79,169)**	(43,213)
Net Transfer from General Revenues	**78,613**	44,216
Net Liabilities at End of Year	**(6,230)**	(5,674)
	$ 3,267	$ 2,942

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

Year Ended March 31, 2006

(in thousands)	2006	2005
Operating Transactions		
Net Operating Results	**$ (79,169)**	$ (43,213)
Non-cash items included in Net Operating Results:		
Amortization of Tangible Capital Assets (Schedule 3)	**30**	5
Valuation Adjustments	**421**	51
	(78,718)	(43,157)
Decrease in Accounts Receivable	**24**	101
Decrease (Increase) in Advances	**36**	(28)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	**460**	(1,154)
Cash Applied to Operating Transactions	**(78,198)**	(44,238)
Capital Transaction		
Acquisition of Tangible Capital Assets	**(407)**	(65)
Financing Transactions		
Net Transfer from General Revenues	**78,613**	44,216
Increase (Decrease) in Cash	**8**	(87)
Cash, Beginning of Year	**1,975**	2,062
Cash, End of Year	**$ 1,983**	$ 1,975

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements
Year Ended March 31, 2006

The Ministry of Economic Development operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Ministry of Economic Development's vision of *Alberta is the best place in the world to live, visit and do business* and its mission *to facilitate business and community prosperity* will be accomplished by continuing to build strong teams, partnerships, and alliances with Alberta businesses and communities in facilitating industry and trade development, investment attraction, and tourism.

We work to achieve our mission by concentrating on the following three core businesses:

1. Provide Strategic Economic Leadership and Business Intelligence;

2. Increase Industry and Regional Development, Trade Promotion and Investment Attraction; and

3. Facilitate Tourism Marketing and Development.

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

(a) Reporting Entity

The reporting entity is the Ministry of Economic Development for which the Minister of Economic Development is accountable. The Department of Economic Development is the only reporting entity in the Ministry of Economic Development for the year ended March 31, 2006. The Ministry annual report provides a comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer to/from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

REVENUES

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

NOTE 2: Summary of Significant Accounting Policies and Reporting Practices (continued)

INTERNAL GOVERNMENT TRANSFERS

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

DEDICATED REVENUE

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses of the initiative. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

EXPENSES

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- Amortization of tangible capital assets.
- Pension costs which comprise the cost of employer contributions for current service of employees during the year.
- Valuation adjustments represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 8.

ASSETS

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

NOTE 2: Summary of Significant Accounting Policies and Reporting Practices (continued)

LIABILITIES

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

NET ASSETS/NET LIABILITIES

Net assets/net liabilities represents the difference between the carrying value of assets held by the Ministry and its liabilities.

FOREIGN CURRENCY TRANSACTIONS

The Ministry uses the temporal method to translate foreign currency transactions as follows:

- Monetary items are translated at the rate of exchange in effect at the balance sheet date; and
- Expense items and non-monetary items are translated at the rate of exchange in effect in the period they occur.

NOTE 3: Accounts Receivable

(in thousands)	2006			2005
	Gross Amount	**Allowance for Doubtful Accounts**	**Net Realizable Value**	Net Realizable Value
Accounts Receivable	**$ 171**	**$ -**	**$ 171**	$ 195

Accounts receivable are unsecured and non-interest bearing.

NOTE 4: Advances

(in thousands)	2006	2005
	Net Realizable Value	Net Realizable Value
Travel and Other Advances	**$ 676**	$ 712

NOTE 5: Tangible Capital Assets

(in thousands)		2006			2005
	Estimated Useful Life	**Cost**	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Equipment	**5 Years**	**$ 659**	**$ 327**	**$ 332**	$ -
Computer Hardware and Software	**3 Years**	**666**	**561**	**105**	60
		$ 1,325	**$ 888**	**$ 437**	$ 60

NOTE 6: Contractual Obligations

(in thousands)	2006	2005
Contracts	**$ 61,222**	$ 51,345
Grants	**19,110**	5,815
Leases	**96**	-
	$ 80,428	$ 57,160

As at March 31, 2006, the aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

(in thousands)	Contracts	Grants	Leases	Total
2007	$ 30,194	$ 6,095	$ 51	$ 36,340
2008	28,883	5,920	32	34,835
2009	1,495	5,895	10	7,400
2010	650	600	3	1,253
2011	-	600	-	600
	$ 61,222	**$ 19,110**	**$ 96**	**$ 80,428**

As at March 31, 2006, there were no claims or possible claims involving the Ministry. (2005 - Nil).

The Ministry entered into agreements to deliver programs and services that are partially funded by industry stakeholders. Payments under these agreements are made by the Ministry under the authority of the *Financial Administration Act*, Section 25. Amounts receivable from or payable to these stakeholders are reflected in the Statement of Financial Position and are as follows:

(in thousands)	2006			2005
	Motion Picture Industry Stakeholders	Community Tourism Planning Initiative	Total	Total
Opening Receivable (payable) balance	$ -	$ (25)	$ (25)	$ 1
Add: Expenses incurred during the year	6	25	31	26
	6	-	6	27
Less: Collections received during the year	6	-	6	52
Closing receivable (payable) balance	$ -	$ -	$ -	$ (25)

(a) Travel Alberta International (TAI)

The Ministry has three agreements with Travel Alberta International Inc. (TAI), a not-for-profit Corporation jointly owned by Economic Development Edmonton and Calgary Convention and Visitors Bureau, to carry out international tourism marketing on behalf of the Ministry. The primary agreement, which expires March 31, 2008, provides for general marketing services worldwide. The two secondary agreements, which expired March 31, 2006, focused on providing industry relations, creating awareness and identity for Alberta and the development of a high quality database for U.S. Meetings, Conventions & Incentive Travel (MCIT) market. The nature of these arrangements is such that the Ministry exercises significant influence over the strategic operating, capital, investing and financing activities of TAI. During the year the Ministry acquired tourism marketing services totalling $19,306 (2005 – $9,111) from TAI, of which $2,396 (2005 – $1,662) was payable to TAI as at March 31, 2006. These amounts are included in the Ministry's financial statements under the element "International Marketing" (Schedule 5).

(b) The Business Link Business Service Centre

The Business Link Business Service Centre (the "Centre") is incorporated as a not-for-profit organization under Part 9 of the *Companies Act*. Its mission is to deliver business information and information related assistance to entrepreneurs in the Province of Alberta, and reduce service overlap and duplication among its members. The members of the Centre consist of representation from the Province of Alberta and the Government of Canada, which share control of decisions related to the financial and operating policies of the Centre. The current agreement with the Centre expires March 31, 2011. During the year the Ministry contributed $591(2005 – $527) towards the Centre's operations. These amounts are included in the Ministry's financial statements under the element "Regional Development" (Schedule 5). Additionally, $127 (2005 – $127) was incurred by the Ministry of Infrastructure and Transportation to support accommodation costs of the Centre.

(c) CAPC

Effective February 2004, the Province of Alberta renewed the agreement with the China National Petroleum Corporation (CNPC), for a further five-year period, expiring in February 2009, to jointly operate and manage the CNPC-Alberta Petroleum Centre (CAPC) located in Beijing, People's Republic of China. The main purpose of the CAPC is to promote the transfer of advanced petroleum and environment related science and technology between CNPC and Alberta. The CAPC Board of Directors includes up to eight Alberta directors appointed by the Province of Alberta and up to ten CNPC appointed directors. As at March 31, 2006, the Province had appointed eight Alberta directors to the CAPC Board. During the year, the Ministry contributed $671 (2005 – $668) towards operations and training programs, and $156 (2005 – $95) towards upgrading the Centre's equipment. These amounts are included in the Ministry's financial statements under the element "International Trade Representation" (Schedule 5).

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $2,066 for the year ended March 31, 2006 (2005 - $1,588).

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of $165,895 (2004 – $268,101) and the Public Service Pension Plan reported a deficiency of $187,704 (2004 – $450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had a surplus of $10,018 (2004 – $9,404).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2006, the Bargaining Unit Plan reported an actuarial deficiency of $8,699 (2005 - $11,817) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of $8,309 (2005 - $3,208). The expense for these two plans is limited to employer's annual contributions for the year.

Effective April 1, 2006, the Alberta Film Development Program will be transferred from the Ministry of Community Development to the Ministry of Economic Development, along with a budget of $13.5 million.

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

The Financial Statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule to the Financial Statements - Schedule 1

Revenues

Year Ended March 31, 2006

(in thousands)	2006 Budget	2006 Actual	2005 Actual
Internal Government Transfers			
Transfers from the Lottery Fund	$ -	$ -	$ 14,100
	-	-	14,100
Other Revenues			
Refund of Expenditure	-	**82**	144
Other Revenue	120	**7**	9
	120	**89**	153
Total Revenues	$ 120	$ **89**	$ 14,253

Schedule to the Financial Statements - Schedule 2

Dedicated Revenue Initiatives

Year Ended March 31, 2006

	2006		
(in thousands)	Authorized Dedicated Revenues	Actual Dedicated Revenue [a]	(Shortfall)/ Excess [c]
Lean Manufacturing Program [b]	$ 20	$ 3	$ (17)
	$ 20	$ 3	$ (17)

(a) Revenue from this dedicated initiative is included in the Ministry's revenues in the Statement of Operations.

(b) Under the Lean Manufacturing Program, the Ministry charges business clients for Lean Training Kits, training its employees on the principles of Lean Thinking and assisting in the facilitation of Lean Implementations. Expenses associated with this initiative are included in the Statement of Operations under the Industry and Regional Development, Trade and Investment Program.

(c) Shortfall is deducted from current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

Schedule to the Financial Statements - Schedule 3

Expenses - Directly Incurred Detailed by Object

Year Ended March 31, 2006

(in thousands)	2006 Budget	2006 **Actual**	2005 Actual
Voted			
Salaries, Wages and Employee Benefits	$ 24,983	**$ 23,458**	$ 20,819
Supplies and Services	44,194	**43,549**	26,825
Supplies and Services from Support Service Arrangements with Related Parties [a]	2,006	**2,077**	2,071
Grants	8,429	**9,611**	7,592
Financial Transactions and Other	91	**112**	103
Amortization of Tangible Capital Assets	47	**30**	5
Total Voted Expenses	$ 79,750	**$ 78,837**	$ 57,415
Statutory			
Valuation Adjustments Provision for Vacation Pay	$ -	**$ 421**	$ 51

[a] The Department receives financial and administrative services from the Department of Restructuring and Government Efficiency.

Schedule to the Financial Statements - Schedule 4

Budget

Year Ended March 31, 2006

(in thousands)	2005-06 Estimates	Adjustments [a]	2005-06 Budget	Authorized Supplementary	2005-06 Authorized Budget
Revenues					
Other Revenue	$ 120	$ -	$ 120	$ -	$ 120
	120		120		120
Expenses - Directly Incurred					
Ministry Support Services	4,895	-	4,895	-	4,895
Industry and Regional Development, Trade and Investment	26,331	-	26,331	-	26,331
Tourism Marketing and Development	42,160	-	42,160	-	42,160
Strategic Economic Leadership and Business Intelligence	6,364	-	6,364	-	6,364
Dedicated Revenue Shortfall (Schedule 2)		(17)	(17)		(17)
	79,750	(17)	79,733		79,733
Net Operating Results	$ (79,630)	$ 17	$ (79,613)	$ -	$ (79,613)
Equipment/Inventory Purchases (Schedule 5)	$ -	$ -	$ -	$ -	$ -

[a] Adjustments include dedicated revenue shortfalls.

Schedule to the Financial Statements - Schedule 5

Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

Year Ended March 31, 2006

(in thousands)	2005-06 Estimates	Adjustments [a]	2005-06 Authorized Budget	**2005-06 Actual Expenses [b]**	Unexpended (Over Expended)
Voted Expense and Equipment/Inventory Purchases					
1. Ministry Support Services					
1.0.1 Minister's Office	$ 320	$ -	$ 320	**$ 309**	$ 11
1.0.2 Deputy Minister's Office	383	-	383	**446**	(63)
1.0.3 Corporate Services	3,846	-	3,846	**3,615**	231
1.0.4 Communications	346	-	346	**369**	(23)
	4,895	-	4,895	**4,739**	156
2. Industry and Regional Development, Trade and Investment					
2.1 Trade Development					
2.1.1 Operations	451	-	451	**391**	60
2.1.2 International Trade Representation (Note 9c)	5,732	-	5,732	**5,602**	130
2.1.3 Trade Development and Relations					
Operating Expense	7,176	-	7,176	**7,147**	29
Equipment/Inventory Purchases	-	-	-	**238**	(238)
	13,359	-	13,359	**13,378**	(19)
2.2 Investment, Industry and Regional Development					
2.2.1 Operations	325	-	325	**336**	(11)
2.2.2 Investment and Industry Development	6,033	-	6,033	**6,554**	(521)
2.2.3 Regional Development (Note 9b)	6,614	-	6,614	**6,231**	383
	12,972	-	12,972	**13,121**	(149)
	26,331	-	26,331	**26,499**	(168)

[a] Adjustments include dedicated revenue shortfalls.

[b] Includes achievement bonus of $888.

Schedule to the Financial Statements - Schedule 5

Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget (continued)

Year Ended March 31, 2006

(in thousands)	2005-06 Estimates	Adjustments [a]	2005-06 Authorized Budget	**2005-06 Actual Expenses [b]**	Unexpended (Over Expended)
3. Tourism Marketing and Development					
3.1 Tourism Marketing					
3.1.1 Aboriginal Marketing Initiatives	200	-	200	**187**	13
3.1.2 In-Alberta/Regional Marketing	6,184	-	6,184	**6,414**	(230)
3.1.3 International Marketing (Note 9a)	19,664	-	19,664	**20,272**	(608)
3.1.4 Tourism Destination Regions	5,300	-	5,300	**5,015**	285
3.1.5 Research	1,100	-	1,100	**1,045**	55
3.1.6 Alberta Photo and Video Services	1,732	-	1,732	**1,541**	191
	34,180	-	34,180	**34,474**	(294)
3.2 Tourism Services and Development					
3.2.1 Operations	400	-	400	**372**	28
3.2.2 Travel Alberta Secretariat	1,704	-	1,704	**1,709**	(5)
3.2.3 Tourism Services					
Operating Expense	2,913	-	2,913	**2,649**	264
Equipment/Inventory Purchases	-	-	-	**100**	(100)
3.2.4 Tourism Development	2,963	-	2,963	**2,823**	140
	7,980	-	7,980	**7,653**	327
	42,160	-	42,160	**42,127**	33
4. Strategic Economic Leadership and Business Intelligence					
4.0.1 Policy and Economic Analysis	1,932	-	1,932	**1,790**	142
4.0.2 Information Management					
Operating Expense	2,098	-	2,098	**2,259**	(161)
Equipment/Inventory Purchases	-	-	-	**69**	(69)

[a] Adjustments include dedicated revenue shortfalls.

[b] Includes achievement bonus of $888.

Schedule to the Financial Statements - Schedule 5

Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget (continued)

Year Ended March 31, 2006

(in thousands)	2005-06 Estimates	Adjustments [a]	2005-06 Authorized Budget	**2005-06 Actual Expenses [b]**	Unexpended (Over Expended)
4.0.3 Business Planning and Knowledge Management	1,310	-	1,310	**985**	325
4.0.4 Alberta Economic Development Authority Operations	415	-	415	**340**	75
4.0.5 Emerging Opportunities	609	-	609	**436**	173
	6,364	-	6,364	**5,879**	485
Dedicated Revenue Shortfall (Schedule 2)	-	(17)	(17)	-	(17)
	$ 79,750	$ (17)	$ 79,733	**$ 79,244**	$ 489
Operating Expense	79,750	(17)	79,733	**78,837**	896
Equipment/Inventory Purchases	-	-	-	**407**	(407)
	$ 79,750	$ (17)	$ 79,733	**$ 79,244**	$ 489
Statutory Expenses					
Valuation Adjustments	$ -	$ -	$ -	**$ 421**	$ (421)

[a] Adjustments include dedicated revenue shortfalls.

[b] Includes achievement bonus of $888.

Schedule to the Financial Statements - Schedule 6

Salary and Benefits Disclosure

Year Ended March 31, 2006

	2006				2005
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	**Total**	Total
Deputy Minister[4]	$ 189,337	$ 36,500	$ 61,159	**$ 286,996**	$ 229,542
Other Executives:					
Assistant Deputy Minister, Tourism Marketing and Development	146,055	29,228	31,255	**206,538**	170,504
Assistant Deputy Minister, Industry and Regional Development	148,588	33,787	32,678	**215,053**	183,166
Assistant Deputy Minister, International Offices and Trade	137,094	20,953	29,628	**187,675**	156,107
Executive Director, Policy and Economic Analysis	123,464	18,562	26,830	**168,856**	152,869
Executive Director, Business Planning and Knowledge Management	110,162	16,721	25,702	**152,585**	130,275
Senior Financial Officer	116,350	17,631	28,013	**161,994**	139,019

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other non-cash benefits.

Schedule to the Financial Statements - Schedule 7

Related Party Transactions

Year Ended March 31, 2006

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain fees and charges set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

(in thousands)	Entities in the Ministry		Other Entities	
	2006	2005	**2006**	2005
Revenues				
Transfer from the Lottery Fund	**$ -**	$ -	**$ -**	$ 14,100
Expenses				
Other services	**$ -**	$ -	**$ 116**	$ 115

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 8.

(in thousands)	Entities in the Ministry		Other Entities	
	2006	2005	**2006**	2005
Expenses - Incurred by Others				
Accommodation	**$ -**	$ -	**$ 5,802**	$ 4,983
Legal and other	-	-	**80**	86
	$ -	$ -	**$ 5,882**	$ 5,069

The Ministry receives services under contracts managed by the Ministry of Restructuring and Government Efficiency (RGE). Any commitments under these contracts are reported by the Ministry of Restructuring and Government Efficiency (RGE).

The Ministry also had transactions with three entities over whom it exercises significant influence. These amounts are recorded in the Ministry's Statement of Operations and disclosed in Note 9.

Schedule to the Financial Statements - Schedule 8

Allocated Costs

Year Ended March 31, 2006

(in thousands)	2006 Expenses[1]	Expenses Incurred by Others: Accommodation Costs	Expenses Incurred by Others: Legal and Other	Valuation Adjustments: Vacation Pay	2006 Total Expenses	2005 Total Expenses
Program:						
Ministry Support Services	$ 4,739	$ 564	$ 25	$ 73	**$ 5,401**	$ 5,076
Industry and Regional Development, Trade and Investment	26,261	3,612	10	256	**30,139**	26,378
Tourism Marketing and Development	42,027	1,250	35	54	**43,366**	25,279
Strategic Economic Leadership and Business Intelligence	5,810	376	10	38	**6,234**	5,802
	$ 78,837	$ 5,802	$ 80	$ 421	**$ 85,140**	$ 62,535

(1) **Expenses - Directly incurred as per Statement of Operations, excluding valuation adjustments.**

Other Information

Supplementary Tables
Table 1 - Trade Shows and Missions

Event	Achievements
Canadian International Development Agency (CIDA) Development Days Halifax, Nova Scotia April 20 - 22, 2005	Initiated and maintained working relationships with CIDA representatives, international financial institutions, and Alberta companies and organizations, attending the conference. Worked with Alberta's private sector to showcase Alberta's strength and advocated for Alberta firms and industry for CIDA business opportunities.
Offshore Technology Conference (OTC) Houston, Texas, USA May 2 - 5, 2005	Promoted Alberta engineering, procurement and construction, manufacturing and service companies and their capabilities at the OTC and at meetings with engineering, procurement and construction firms. OTC draws over 50,000 oil and gas leaders from over 80 countries. Also, networked, gathered intelligence and matched numerous international companies with Alberta companies to further procurement discussions.
Western Aerospace Conference Vancouver, British Columbia May 25 - 27, 2005	Organized and executed a mission involving 11 Alberta delegates to the conference. An agreement was reached with the Italian firm Alenia Aeronautica to conduct a supplier development Industrial Regional Benefit mission to Alberta. The mission involved possible procurement contracts for a new Fixed Wing Search and Rescue (FWSAR) aircraft to be used by the Canadian Armed Forces. This visit created an opportunity for Alberta aerospace and related firms to present their capabilities.
Alimentaria Food and Beverage Show Mexico City and Monterrey, Mexico May 28 - June 7, 2005	Facilitated matchmaking with Alberta companies and Mexican buyers/importers. Identified partners and media contacts for incoming media missions and gathered information on emerging trends for strategic planning.
UVS International/ UV Europe Conference & Exhibition/ Paris Air Show/ London Meetings France, United Kingdom June 7 - 22, 2005	Enabled Alberta's aerospace and aviation industry to network, gather information and build industry relationships in France and the UK. The mission identified business opportunities, established contacts and showcased Alberta's Unmanned Vehicle Systems (UVS) technology.
Mission to Moscow, Russia, Prague, Czech Republic, and Warsaw, Poland June 15 - 29, 2005	Developed strategic market intelligence, information and sources. Strengthened foreign contacts, identified projects and opportunities, and promoted the Alberta Advantage to the oil and gas industry in the three countries.

Supplementary Tables
Table 1 - Trade Shows and Missions (continued)

Bio 2005 Philadelphia, Pennsylvania, USA June 19 - 22, 2005	Enhanced exposure of Alberta's biotechnology companies to international markets and facilitated partnerships and access to competitive intelligence.
BSE Beef Recovery Mission Las Vegas, Nevada, USA June 20 - 24, 2005	Participated and supported the Beef Information Centre (BIC) in presenting the Canadian Beef Advantage to targeted Las Vegas foodservice beef buyers. Held seminars for two targeted groups – culinary students and professionals, and regional beef foodservice buyers.
Association for Unmanned Vehicles Systems International (AUVSI) Unmanned Systems North America 2005 Baltimore, Maryland, USA June 28 - 30, 2005	Coordinated delegates from 13 Alberta companies to attend the industry's premiere event. An estimated 300 delegates stopped at the Alberta exhibit, and over 160 qualified contacts were made, which will be distributed to mission participants. AUVSI has been very supportive of Alberta's unmanned vehicle industry (UVI). Alberta is becoming well positioned as the lead province in Canada in advancing this sector. Distributed 250 copies of the recently produced UVS Alberta CD-Rom to pre-qualified delegates during the event.
Pacific Northwest Economic Region (PNWER) Annual Summit Seattle, Washington, USA July 14 - 18, 2005	Supported the Minister in his new role as Co-Chair of the Trade and Economic Working Group as part of PNWER Annual Summit. Increased awareness of Alberta as a strong member of the PNWER as Alberta will host the 2006 Annual Summit. Discussion topics included: trade barriers, the Oregon business plan, and an update on the 2010 Olympics regional tourism strategy.
Portland Retail Mission Portland, Oregon, USA September 21 - 23, 2005	Provided networking opportunities for Alberta companies to present their products to several U.S. retailers, buyers, brokers and distributors.
Mission to Japan and South Korea Tokyo and Nagoya, Japan, Seoul, South Korea September 27 – October 15, 2005	Introduced 16 Alberta companies, research institutes, and government agencies from the information and communication technology (ICT) industry to prospective clients, at the Combined Exhibition of Advanced Technologies (CEATEC) conference in Japan. Identified trade and investment opportunities for building products, health and bio-industries, and ICT industry sectors in Japan and Korea.
18th World Petroleum Congress (WPC) Johannesburg, South Africa September 26 - 29, 2005	Coordinated the production of the Canada Networking Reception attended by Premier Klein and the Honourable Greg Melchin, Minister of Energy. Supported Premier Klein's and Minister Melchin's business missions during the WPC. Promoted Alberta as the best place in the world to live and do business.

Supplementary Tables
Table 1 - Trade Shows and Missions (continued)

Alberta Environmental Technical Solutions Showcase (AETSS) and Enviro-Pro 2005 Monterrey and Mexico City, Mexico October 10 - 14, 2005	Facilitated an Alberta environmental delegation of six export-ready Alberta companies to participate in the AETSS and in the Trade Team Canada Environment (TTCE) Enviro-Pro 2005 Mission to Mexico. At Enviro-Pro the companies introduced products, services, and technologies to qualified Mexican contacts. Six technical presentations were delivered by Albertan companies during the AETSS along with presentations during the Enviro-Pro conference at the Canadian Seminar.
ANUGA Food Show and International Meat Congress Germany, Italy October 8 - 12, 2005	Attended ANUGA, the largest international food trade show with over 6300 exhibitors from 108 countries. Networked with valued European Union (EU) contacts including meat producers, trade commissioners, and industry contacts. Gained exposure to local EU retail markets and food marketing approaches.
Rio Pipeline Show 2005 Rio de Janeiro, Brazil October 17 - 20, 2005	Facilitated an Alberta delegation, with 15 export-ready Alberta companies, to participate in the Rio Pipeline Show. Hosted an exhibit within the Canadian Pavilion to introduce products, services, and technologies to potential Brazilian clients. Met with senior officials of the Brazilian oil and gas industry including government, Petrobras, and private sector companies to promote the Alberta Advantage.
Food and Development Mission China, Vietnam October 22 - November 2, 2005	Participated in the Swine Genetics Seminar to support Alberta swine genetics market development initiatives in China. Took part in the Shanghai Food and Hotel Show. Met with Vietnamese government officials interested in expanding agri-food trade with Alberta in swine, seed potatoes, and Alberta beef.
China WOOD Markets Export and Import Conference Guangzhou and Dongquan, China October 25 - November 5, 2005	Coordinated networking opportunities for Alberta-based companies aiming to enter the Chinese market. Gathered market intelligence regarding Chinese policies that may impact trade and investment opportunities.
Private Labels Manufacturers Association (PLMA) Trade Show and Chicago Meetings Chicago, Illinois, USA November 12 -17, 2005	Gathered market intelligence and identified product opportunities and areas of growth for Alberta companies within the U.S. Private Labels sector. Chicago is the largest market in the mid-western United States and presents many opportunities for Albertan food products.

Supplementary Tables

Table 1 - Trade Shows and Missions (continued)

Mission to Japan Tokyo, Japan November 21 - December 5, 2005	Increased exposure and awareness in Japan for Alberta's mid-sized beef exporters. Several Alberta companies developed partnerships with Japanese counterparts for product development. Follow-up sessions conducted with previous Japanese clients to continue relationship along with establishing new contacts.
Nanotechnology and Wireless Mission to Europe Germany, Netherlands, Sweden, Finland November 21 - December 7, 2005	Led 12 mission participants, including university researchers and the National Institute for Nanotechnology (NINT), on visits with industry leaders. Promoted the capabilities of Alberta companies in the information and communication technology (ICT) and nanotechnology sectors. Partnership agreements were signed between the NINT and MESA+ Institute in the Netherlands and other potential partnerships were identified for Alberta companies.
Mission to Germany Frankfurt and Munich, Germany November 26 - December 9, 2005	Conducted presentations to a German food processing company, EMF, to provide investment attraction support to the Cattlemen's Beef Processors Ltd. (CBPL) for the construction of a European Union certified beef and bison processing facility in Wetaskiwin. As a result of the presentations, an EMF subsidiary invested in the CBPL plant and committed to the marketing of the products of CBPL.
Western Missions and Provinces Annual Planning Meeting Denver, Colorado, USA November 30 - December 2, 2005	Increased the opportunities for Canadian companies to export organics and natural foods, developed trade and investment opportunities for green energy, and marketed Canadian capabilities and investment attraction for the unmanned vehicles industry.
Canada-Mexico Bean Congress Mexico City, Mexico December 9-17, 2005	Partnered with Pulse Canada to attend the second annual congress in Mexico City. Contacts were identified for invitation to the Tri-National Accord in 2006 and strengthened relationship with Pulse Canada.
Wireless Mission to Europe United Kingdom, Spain February 6 -18, 2005	Attended 3GSM event in Spain, the world's largest event focusing on Global System for Mobile Communication (GSM) cellular phone technology, to support two exhibiting Alberta companies. Met with existing and new Spanish partners for business development. Assisted Alberta companies with lead generation, gathered market intelligence, and connected the companies with potential partners.

Supplementary Tables
Table 1 - Trade Shows and Missions (continued)

Mission to Korea Seoul and Busan, South Korea February 6 - 20, 2006	Coordinated the showcasing of eight Alberta companies at the Seoul Housing Brand Fair. Gathered information on the building products (BP) sector to identify potential partnerships for Alberta companies. Visited the Korean Bio-Venture Association (KBVA) and introduced opportunities for collaboration in health and bio-industry.
Berlin Film Festival Berlin, Germany February 8 -18, 2006	Collaborated with the federal government to market Alberta as an attractive film location. Followed-up with the *Blue Mountain* film producers, a German television series shot in Alberta in 2005 and other German producers. As a result, another four movies of the week will be shot in Alberta.
Canadian Oil and Gas Pipeline Mission Mexico City, Poza Rica, Villahermosa Mexico February 12 - 17, 2006	Organized a business development mission to Mexico with five Alberta companies. Showcased Alberta technology during seminars, introduced companies' services, technology and expertise to market leaders and decision-makers in Mexico. The mission provided information for effective market entry strategies through Pemex and other successful companies already established in Mexico.
Canada-Alberta Agriculture and Food Seminar, Foodex Trade Show Nagoya and Tokyo, Japan March 5 - 20, 2006	Presented Alberta's agri-food industry, focusing on the beef sector, to 100 industry representatives in Nagoya. Japan is a priority market for Alberta beef and the presentation provided valuable information on the Alberta beef industry. Managed the Alberta booth at Foodex, the biggest food trade show in Asia. The department represented four Alberta companies at the show and the booth provided opportunities to interact and network with Japanese and Canadian industry representatives.
Canola Council of Canada Annual Meeting and Conference Newark, New Jersey, USA March 13 - 18, 2006	Attended the general meeting to gather information on export communities, uses, markets, customers, and competition. Networked with Canadian and international canola contacts.
Mission to Russia and London Moscow and Tyumen, Russia London, United Kingdom March 14 - 28, 2006	Participated with Canada Eurasia Russian Business Association, along with four Alberta companies, to promote Alberta's expertise and technological capabilities in the oil and gas industry to Russian organizations. Information gathered will be used for strategic planning for involvement within the Russian market.

Supplementary Tables
Table 1 - Trade Shows and Missions (continued)

Mission to Atlanta, Mexico City and Monterrey Atlanta, Georgia, USA Mexico City and Monterrey, Mexico March 18 - 28, 2006	Conducted meetings with Mexican retailers, wholesalers, and food service organizations to promote further exports to Mexico. Identified trade barriers and opportunities for exporting Alberta beef to Mexico and southeastern United States.
Energy Efficient Building Systems Trade Mission Shanghai and Beijing, China March 20 - 30, 2006	Hosted the Alberta-Canada Energy Efficient Building Systems Seminar in Shanghai and Beijing. Seven site visits were organized between key developers and building officials in Shanghai, with another four in Beijing. Matchmaking sessions between 10 mission participants and attendees were organized and two contracts were signed.

Supplementary Tables
Table 2 - Economic and Business Publications

Publication	Description
Economic Update	Updated quarterly, provides an assessment of the economic outlook for Alberta and major international export markets for Canada and Alberta. Includes submissions from Alberta's international offices, regional offices and sector teams. Department website, PowerPoint presentation.
Monthly Economic Review	Monthly and quarterly indicators on the performance of the Alberta economy, e.g. labour force, retail sales, exports, farm cash receipts, etc. Comparisons to other provinces are included.
Highlights of the Alberta Economy	An annual report of significant highlights of Alberta's economy, documenting the advantages of locating or operating a business in Alberta. Comparisons to other provinces and states are included.
Inventory of Major Alberta Projects	Quarterly list of major capital projects in Alberta valued at $2 million or more, which are planned, under construction, or recently completed. The online version is updated monthly.
Inventory of Alberta Regional Projects	A quarterly list of capital projects in Alberta located outside of Edmonton and Calgary valued at less than $2 million. Includes planned, under construction and recently completed projects.
Alberta International Trade Review	A report of Alberta's annual international exports of goods and services for the past five years; presented by industry, commodity, region and country. Profiles all countries that receive more than $10 million in Alberta exports.
Alberta's International Merchandise Exports	Alberta's quarterly and year-to-date exports presented by region, country, industry and commodity. Each quarterly issue includes a U.S. profile, two country profiles and two industry profiles.
Tourism Market Monitor	Monthly report of activity in a variety of tourism-related areas (i.e. hotel occupancy rates, airport passenger traffic, visitor entries into Alberta, etc).
Facts on Alberta	An annual overview of Alberta, including information on the province's economy, infrastructure, and lifestyle. Useful as a basic investment attraction handbook.
Quick Facts Brochures	Brochures updated quarterly: *Economy* - key statistics on performance of the Alberta Economy, and *Tourism* - key statistics on performance of Alberta's tourism industry.
2005 Place-to-Place Price Comparison Survey for Selected Alberta Communities	The survey, which began in 2001, is carried out every two years. Measures and compares price levels for a basket of goods and services in 37 Alberta communities. Survey was done in late April - early May 2005.

Supplementary Tables
Table 2 - Economic and Business Publications (continued)

Publication	Description
The Alberta Advantage in Canada CDRom	This marketing tool showcases Alberta's key industry sectors and explains why our province is the best place to live, work and do business. A comprehensive index, two videos and extensive web links provide the viewer with a wealth of information on the Alberta Advantage.
Alberta International Marketing Strategy 2005: Mapping Our Future	The Alberta International Marketing Strategy recognizes that Alberta's prosperity depends on attracting new investment and diversifying export markets. It identifies key industry sectors and matches them with international markets where value-added trade and investment opportunities exist for Alberta.
Securing Tomorrow's Prosperity: Sustaining the Alberta Advantage	Securing Tomorrow's Prosperity is the economic component of the Government of Alberta's 20-Year Strategic Plan. It provides strategic direction by which the province can sustain an economy capable of constantly innovating and creating higher value jobs, goods and services.
International Offices Annual Report 2004-05	The 2004-2005 International Offices Annual Report outlines the mission, goals and services provided by Economic Development's international offices. This follows through on Government's commitment to develop performance measures for our international offices.
Alberta. Abundant Energy. Proven Innovation.	This marketing tool promotes Alberta's diverse investment opportunities and showcases the province's energy sector and its innovation track record in knowledge-based and natural resources sectors.
Oil Sands Industry Update	A semi-annual report that provides an overview of the current status of the oil sands industry expansion in Alberta.
Strategic Tourism Marketing Plan	This annual industry plan provides a framework for Travel Alberta and the tourism industry to increase the number of visitors to and within Alberta.

Note: See www.alberta-canada.com/statpub/ for online publications.

Supplementary Tables
Table 3 - Tourism Research

Publication	Description
Festivals and Events: Methodology to Measure Attendance and Economic Impact	Economic Development partnered with the Canadian Tourism Commission and other provinces to sponsor this research. Purpose of the study was to develop a methodology that would provide an acceptable and consistent way of estimating attendance and economic impact for festivals and events.
Travel Activities and Motivation Survey (TAMS)	Major survey of Canadian and U.S. households to determine vacation and activity preferences and factors that would motivate travel. Alberta is a partner with other provinces and the Canadian Tourism Commission. This is a two-year project, covering fiscal years 2004-05 and 2005-06.
Japan Consumer Research	Partnered with the Canadian Tourism Commission, Tourism B.C. and the Ontario Tourism Marketing Partnership. Japanese consumers were surveyed to explore their attitudes and interests in travelling to Canada and Alberta specifically, and their interests in specific activities (e.g. skiing in Alberta). A report will be available in late 2006.
Alberta Residents Travel Intentions Surveys	Alberta residents are surveyed twice yearly to monitor their intentions to take leisure trips in the summer and winter. Focus is on travel within Alberta.
Tourism Operator Surveys, Pre- and Post-Summer	A cross-section of Alberta tourism operators is surveyed (pre-summer) to see what bookings/expectations are for the summer, and (post-summer) to see what actual business levels were achieved and identify any significant changes in the nature of demand.
Summaries of Visitor Numbers, Revenue and Characteristics	Comprehensive visitor statistics for Alberta based on Statistics Canada data. Reports the number of visitors, lists Alberta's major non-resident markets by origin, reason for trip, expenditures in Alberta and the purpose of the entire trip.
Alberta Tourism Market Monitor	A monthly summary of travel related statistics.

Note: See http://www.alberta-canada.com/statpub/tourismResearch.cfm for online publications.

Performance Measures Methodology

1 – Percentage share of GDP in manufacturing and business and commercial services.

This information is obtained from the table entitled GDP by Industry in Millions of Dollars, a supplementary table to the *Provincial Economic Accounts, Annual Estimates*, published by Statistics Canada. GDP figures for four industries are added, including manufacturing; information and cultural industries; professional, scientific and technical services; and administrative and support, waste management and remediation services. The total is then divided by the total GDP figure for all industries. This data is in constant 1997 dollars.

2 – Number of visits to the website www.alberta-canada.com.

WebTrends software is used to analyze log files created on a server and produce a monthly report of website statistics, including number of visits to www.alberta-canada.com. Monthly reports are then compiled.

3 – Percent satisfied with Economic Development publications (biennial survey).

The biennial satisfaction survey is contracted to a research consulting firm. The study is conducted through a telephone survey for print subscribers of Alberta Economic Development publications and an online survey for online subscribers. The survey was last conducted in 2004-05 and had a response rate of 23.7 % and a margin of error of ±1.1 % based on a 95% confidence interval. Because the survey is biennial, a survey was not conducted in 2005-06 but will be conducted in 2006-07.

The following publications are included in the survey: *Inventory of Major Alberta Projects, Monthly Economic Review, International Trade Review, Inventory of Alberta Regional Projects,* and *Highlights of the Alberta Economy.*

The data indicate the percent of respondents that stated that they were very satisfied or somewhat satisfied with Economic Development publications. The satisfaction rating scale for this series included four points (very satisfied, somewhat satisfied, dissatisfied and very dissatisfied).

4 – Manufacturing shipments.

Manufacturing shipments are the total annual value of all manufacturing shipments by Alberta companies to other provinces, countries and within Alberta. Statistics Canada surveys the entire manufacturing sector annually. It also surveys the industry monthly. Since a sampling of the total population of manufacturing companies is involved for the monthly surveys, Statistics Canada uses a number of statistical techniques to derive provincial estimates. The annual total manufacturing shipments for Alberta are used for this measure. The data are downloaded directly from the CANSIM database (Tables 304-0014 and 304-0015), no further calculations by Economic Development are involved.

5 – Manufacturing and service exports.

Manufacturing and service exports are the value of Alberta's international exports of manufactured goods a d services. Economic Development uses Statistics Canada data to monitor the value of goods exported to other countries. Statistics Canada prepares the data monthly and publishes it in Canadian International Merchandise Trade (Cat. No. 65-001).

The total value of Alberta's international goods exports is based on Statistics Canada's published numbers, as of May 2006. For manufactured goods, export data by commodity from Statistics Canada are used to determine industry-specific export values, using Statistics Canada classifications. (A concordance table is obtained from Statistics Canada that allocates each commodity exported into a specific industry. This concordance table is then modified to reflect unique characteristics of Alberta's economy. For example, natural gas liquids are moved from manufacturing to mining.)

In 2005-06, the methodology was changed to simplify the service exports estimation procedure and improve the alignment of total estimates for goods and services-combined with Statistics Canada estimates. Due to the change in the methodology, actual results for 2003 and 2004 were restated. Based on the new methodology, the totals for service exports for the years 2002 and prior are derived from the Trade Flows tables by Statistics Canada's Input-Output Division (available on http://www.statcan.ca/english/nea-cen/sub/prov.htm), by taking total service exports and deducting wholesale margins and transport margins (already included in goods exports). For the most recent three years, the growth rates from the Alberta GDP tables for international service exports (same source as above) are applied to the 2002 estimates.

6 – Percent satisfied with the services of international offices (biennial survey).

Data for client satisfaction with the services of the international offices was obtained from the 2004-05 International Offices Client Satisfaction Survey. The survey is contracted to a research firm. The survey is delivered to clients of the international offices who are asked to complete and submit the survey to the research firm, either by mail, fax, or e-mail.

The data indicates the percent of respondents that stated that they were very satisfied or somewhat satisfied with the services of the international offices. The satisfaction rating scale for this series included five points (very satisfied, somewhat satisfied, neutral, somewhat dissatisfied and very dissatisfied).

In 2004-05, the response rate of the survey was 29.3% with a margin of error of ±2.7 % based on a 95% confidence interval for this particular question. Because this survey is biennial, the survey was not conducted in 2005-06 but will be conducted in 2006-07.

7 – Manufacturing and service industry investment.

This performance measure is the value of new capital expenditures on construction, machinery, and equipment in Alberta's manufacturing and services industries. Statistics Canada surveys all industries once a year about their actual past years' capital investments, as well as their intended investments for the current year. Data are reported in Statistics Canada's *Private and Public Investment in Canada, Intentions* (Cat. No. 61-205).

Estimates for the manufacturing and utilities sectors are duplicated exactly. For services, the following industries are aggregated: transportation and warehousing, information and cultural industries, wholesale trade, retail trade, finance and insurance, real estate and rental and leasing, professional, scientific and technical services, management of companies and enterprise, administrative and support, waste management, arts, entertainment and recreation, accommodation and food services, utilities, and other services. Excluded are: housing, primary industries (i.e. agriculture and forestry, and mining and oil and gas extraction - including oil sands), construction and institutions (e.g. public administration, health and education).

8 – Number of Alberta communities participating in regional economic alliances and partnerships.

The data for this measure are determined from membership lists maintained by the regional economic development alliances (REDAs) and provided to Economic Development. All member community information for REDAs and partnerships is received by the department from the alliance management and administration. Communities participating in more than one REDA or partnership are counted only once.

REDAs and partnerships include self-selecting communities and supportive partners that utilize a collaborative approach to achieve prosperity. They encompass a defined geographical area based on a shared economic vision for the future. Sub-regional partnerships do not receive funding from AED and are usually ad-hoc in nature. REDAs are supported based on Memoranda of Understanding with the department and through formal grant funding agreements.

9 – Percent of REDA board members satisfied with Economic Development staff.

The survey was conducted from February 13 to March 15, 2006, online using the Opinio survey program, and also by direct distribution to the REDA members. Those members without access to e-mail were faxed the survey. Chairpersons of each alliance were sent a letter in advance by the Executive Director of Regional Development and Economic Immigration, to inform them of the

upcoming survey of their board. AED's regional directors/managers responsible for the respective REDAs provided the appropriate contact information for surveying purposes and increased awareness of the survey with the board members. Six REDAs administered hard copy surveys at their general meetings that were held in February. These hard copy surveys were then entered into the Opinio system.

In order to achieve a higher response rate, two reminders were sent out by e-mail to encourage members to fill out the survey. The survey was re-sent via e-mail or fax to those who requested it, or were unable to fill it out in a form previously received. Out of 132 surveys administered, 75 respondents provided answers to the satisfaction question.

The data indicates the percent of respondents that stated they were overall very satisfied or somewhat satisfied with AED staff support. The satisfaction rating scale for this series included five points (very satisfied, somewhat satisfied, neutral, somewhat dissatisfied and very dissatisfied).

10 – Total tourism revenue.

The total value of tourism industry revenue in Alberta is derived by Economic Development from the data published by Statistics Canada in the *Canadian Travel Survey* (renamed in January 2005 to *Travel Survey of Residents of Canada*) (Cat. No. 87-504-XPB) and the *International Travel Survey* (Cat. No. 66-001). Final year-end data for both surveys are usually not available until August of the following year.

The estimate for 2005 is based on travel statistics that provide an indication of demand, such as Customs counts at Alberta's "Ports of Entry", deplanements at Calgary and Edmonton International Airports, anecdotal information from the Pre-Summer Tourism Operator Survey, and gate counts at Banff, Jasper, Waterton Lakes, and Elk Island National Parks. In addition, occupancy rate information collected by Smith Travel Research is also used to determine the demand for fixed-roof lodging in the Mountain Parks, Edmonton, and Calgary. Domestic data produced by the Canadian Tourism Research Institute are also used in estimating demand from Alberta's key domestic markets of British Columbia, Saskatchewan, and Ontario. In addition to indicators of demand, estimates of the Travel Price Index are forecast into the future to assist with tourism revenue projections.

11 – Effectiveness of Tourism Marketing – Total enquiries to Travel Alberta (millions) – Visits to TravelAlberta.com, enquiries to the Travel Alberta contact centre and other methods of contact.

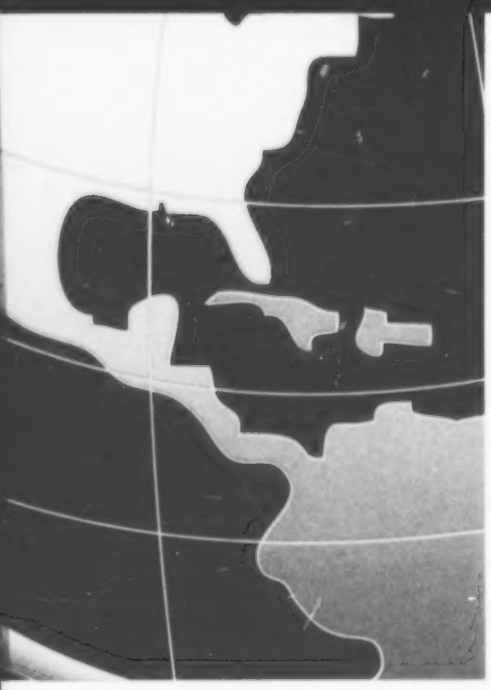
This performance measure includes volume of visitor sessions to TravelAlberta.com, information requests by telephone and other methods of contact. Data on the number of website visitor sessions to www.travelalberta.com are obtained by the Travel Alberta Secretariat from reports by WebTrends (software designed to measure web activity), based on an analysis of the server log files. Contact centre telephone inquiries are obtained from the contact centre contractor. During the current year, visitor sessions to the specialty websites were added to "other methods of contact." After this change, other methods of contact included: phone calls, e-mails, web orders, faxes, mail and the number of visitor sessions to the specialty websites. Data on the number of visitor sessions to the specialty websites are provided by Travel Alberta International (TAI), Travel Alberta In-province (TAIP) and the Alberta Japan Office in Tokyo to the Travel Alberta Secretariat. This data is based on each organization's website management tool. The specialty websites are maintained independently to Travel Alberta and operate under their own domain names and servers, such as www.gocanadianrockies.com or www.greatalbertagatherings.com.

12 – Percent of clients satisfied with visitor information centres overall.

Data is obtained from the visitor information centre (VIC) exit survey conducted by a research firm. The research firm conducted exit interviews at visitor information centres. The surveys were conducted at ten VICs between July and September 2005. The centres include Canmore, Field, Crowsnest Pass, West Glacier, Lloydminster, Oyen, Walsh, Milk River, Hinton, and Grande Prairie.

The data indicates the percent of respondents that stated they were very satisfied or somewhat satisfied with the Visitor Information Centre. The satisfaction rating scale for this series included five points (very satisfied, somewhat satisfied, neither satisfied nor dissatisfied, somewhat dissatisfied and very dissatisfied).

A minimum of 100 interviews were conducted at each centre. To capture a variety of travellers, the interviews were spread across weekends and weekdays, and during both peak and shoulder visitation seasons. A larger sample was gathered from Canmore (392), Field (208), and West Glacier (190) due to the high volume of visitors to these three centres. 1532 interviews were conducted in 2005 from a population of 190,684, which represents an overall margin of error of ± 0.6% based on a 95% confidence interval.



Alphabetical List of Government Entities' Financial Statements

Entities Included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Access to the Future Fund[12]	Advanced Education
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Local Authorities Pension Plan Corporation[13]	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Seniors and Community Supports
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc.	Finance
ATB Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Métis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Advanced Education	Advanced Education
Department of Children's Services	Children's Services

[12] Established July 10, 2005.
[13] Incorporated December 16, 2005

Ministry, Department, Fund or Agency	Ministry Annual Report
Department of Community Development	Community Development
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[14]	Aboriginal Affairs and Northern Development
Ministry of Advanced Education	Advanced Education
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[14]	Economic Development
Ministry of Education	Education
Ministry of Energy	Energy
Ministry of Environment[14]	Environment
Ministry of Executive Council[14]	Executive Council
Ministry of Finance	Finance
Ministry of Gaming	Gaming
Ministry of Government Services[14]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[14]	Human Resources and Employment
Ministry of Infrastructure and Transportation[14]	Infrastructure and Transportation
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[14]	International and Intergovernmental Relations
Ministry of Justice[14]	Justice
Ministry of Municipal Affairs[14]	Municipal Affairs
Ministry of Restructuring and Government Efficiency[14]	Restructuring and Government Efficiency
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Safety Codes Council	Municipal Affairs
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Community Development

[14] Ministry includes only the departments so separate departmental financial statements are not necessary.

Entities Not Included in the Consolidated Government Reporting Entity

Fund or Agency	Ministry Annual Report
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

School, Universities, Colleges and Hospitals Included in the Consolidated Government Reporting Entity on a Modified Equity Basis [15]

School Boards and Schools	Ministry Annual Report
Almadina School Society	Education
Aspen View Regional Division No. 19	Education
Aurora School Ltd.	Education
Battle River Regional Division No. 31	Education
Black Gold Regional Division No. 18	Education
Boyle Street Education Centre	Education
Buffalo Trail Public Schools Regional Division No. 28	Education
Calgary Arts Academy Society	Education
Calgary Girls' School Society	Education
Calgary Roman Catholic Separate School District No. 1	Education
Calgary School District No. 19	Education
Calgary Science School Society	Education
Canadian Rockies Regional Division No. 12	Education
CAPE-Centre for Academic and Personal Excellence Institute	Education
Chinook's Edge School Division No. 73	Education
Christ the Redeemer Catholic Separate Regional Division No. 3	Education
Clearview School Division No. 71	Education
East Central Alberta Catholic Separate Schools Regional Division No. 16	Education
East Central Francophone Education Region No. 3	Education
Edmonton Catholic Separate School District No. 7	Education
Edmonton School District No. 7	Education
Elk Island Catholic Separate Regional Division No. 41	Education
Elk Island Public Schools Regional Division No. 14	Education
Evergreen Catholic Separate Regional Division No. 2	Education
Foothills School Division No. 38	Education
Fort McMurray Roman Catholic Separate School District No. 32	Education
Fort McMurray School District No. 2833	Education
Fort Vermilion School Division No. 52	Education
Foundations for the Future Charter Academy Charter School Society	Education
Golden Hills School Division No. 75	Education
Grande Prairie Roman Catholic Separate School District No. 28	Education
Grande Prairie Public School District No. 2357	Education
Grande Yellowhead Regional Division No. 35	Education
Grasslands Regional Division No. 6	Education
Greater North Central Francophone Education Region No. 2	Education
Greater Southern Public Francophone Education Region No. 4	Education
Greater Southern Separate Catholic Francophone Education Region No. 4	Education
Greater St. Albert Catholic Regional Division No. 29	Education
High Prairie School Division No. 48	Education
Holy Family Catholic Regional Division No. 37	Education

[15] The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results would be included in one line on the Ministry's consolidated statements of financial position and operations, respectively. The Ministry has not yet included the financial statements of these controlled entities. In the transitional period, the government will assess when and how to include these controlled entities in the Ministry's consolidated financial statements. The financial results of these controlled entities are included in the consolidated financial statements of the Province of Alberta for the year ended March 31, 2006 on a modified equity basis.

School Boards and Schools	Ministry Annual Report
Holy Spirit Roman Catholic Separate Regional Division No. 4	Education
Horizon School Division No. 67	Education
Lakeland Roman Catholic Separate School District No. 150	Education
Lethbridge School District No. 51	Education
Living Waters Catholic Regional Division No. 42	Education
Livingstone Range School Division No. 68	Education
Medicine Hat Catholic Separate Regional Division No. 20	Education
Medicine Hat School District No. 76	Education
Moberly Hall School Society	Education
Mother Earth's Children's Charter School Society	Education
New Horizons Charter School Society	Education
Northern Gateway Regional Division No. 10	Education
Northern Lights School Division No. 69	Education
Northland School Division No. 61	Education
Northwest Francophone Education Region No. 1	Education
Palliser Regional Division No. 26	Education
Parkland School Division No. 70	Education
Peace River School Division No. 10	Education
Peace Wapiti School Division No. 76	Education
Pembina Hills Regional Division No. 7	Education
Prairie Land Regional Division No. 25	Education
Prairie Rose Regional Division No. 8	Education
Red Deer Catholic Regional Division No. 39	Education
Red Deer School District No. 104	Education
Rocky View School Division No. 41	Education
St. Albert Protestant Separate School District No. 6	Education
St. Paul Education Regional Division No. 1	Education
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	Education
Sturgeon School Division No. 24	Education
Suzuki Charter School Society	Education
Westmount Charter School Society	Education
Westwind School Division No. 74	Education
Wetaskiwin Regional Division No. 11	Education
Wild Rose School Division No. 66	Education
Wolf Creek School Division No. 72	Education

Universities	
Athabasca University	Advanced Education
The University of Alberta	Advanced Education
The University of Calgary	Advanced Education
The University of Lethbridge	Advanced Education

Colleges	
Alberta College of Art and Design	Advanced Education
Bow Valley College	Advanced Education
Grande Prairie Regional College	Advanced Education
Grant MacEwan College	Advanced Education

Colleges	Ministry Annual Report
Keyano College	Advanced Education
Lakeland College	Advanced Education
Lethbridge Community College	Advanced Education
Medicine Hat College	Advanced Education
Mount Royal College	Advanced Education
NorQuest College	Advanced Education
Northern Lakes College	Advanced Education
Olds College	Advanced Education
Portage College	Advanced Education
Red Deer College	Advanced Education
Technical Institutes and The Banff Centre	
Northern Alberta Institute of Technology	Advanced Education
Southern Alberta Institute of Technology	Advanced Education
The Banff Centre for Continuing Education	Advanced Education
Regional Health Authorities and Other Health Institutions	
Alberta Cancer Board	Health and Wellness
Alberta Mental Health Board	Health and Wellness
Aspen Regional Health Authority	Health and Wellness
Calgary Health Region	Health and Wellness
Capital Health	Health and Wellness
Chinook Regional Health Authority	Health and Wellness
David Thompson Regional Health Authority	Health and Wellness
East Central Health	Health and Wellness
Northern Lights Regional Health Authority	Health and Wellness
Peace Country Health	Health and Wellness
Palliser Health Region	Health and Wellness

International Offices

BEIJING
Alberta China Office
Canadian Embassy
19 Dongzhimenwai Dajie
Chaoyang District, Beijing 100600
People's Republic of China
Tel: 011.86.10.6532-3536
Fax: 011.86.10.6532-1304
E-mail: albertabeijing@international.gc.ca
Website: www.albertachina.com

CNPC - ALBERTA PETROLEUM CENTRE
2nd Floor Science & Technology Building
#20 Xue Yuan Road, HaiDian District
Beijing 100083
People's Republic of China
Tel: 011.86.10.6209-8522
Fax: 011.86.10.6209-8529
E-mail: capc@gov.ab.ca
Website: www.albertachina.com

HONG KONG
Alberta Hong Kong Office
Room 1004 Admiralty Centre
Tower Two, 18 Harcourt Road
Central, Hong Kong SAR
Tel: 011.852.2528-4729
Fax: 011.852.2529-8115
E-mail: albertahongkongoffice@gov.ab.ca
Website: www.alberta.org.hk

MUNICH
Alberta Germany Office
Canadian Consulate
Tal 29, 80331 Munich, Germany
Tel: 011.49.89.2199-5740
Fax: 011.49.89.2199-5745
E-mail: albertagermanyoffice@gov.ab.ca
Website: www.alberta-canada.com/germany

MEXICO CITY
Alberta Mexico Office
Alberta Economic Development
Calle Schiller No. 529
Colonia Polanco
Del. Miguel Hidalgo
Mexico D. F., Mexico 11560
Tel: 011.52.555.387-9302
Fax: 011.52.555.724-7913
E-mail: albertamexicooffice@gov.ab.ca
Website: www.alberta-canada.com/mexico

TOKYO
Alberta Japan Office
Place Canada, 3rd Floor
3-37, Akasaka 7-chome
Minato-ku, Tokyo 107, Japan
Tel: 011.81.3.3475-1171
Fax: 011.81.3.3470-3939
E-mail: albertajapanoffice@gov.ab.ca
Website: www.altanet.or.jp

SEOUL
Alberta Korea Office
Canadian Embassy
9th Floor, Kolon Building
45, Mukyo-doong, Chung-ku
Seoul 100-170, Republic of Korea
Tel: 011.82.2.3455-6000
Fax: 011.82.2.773-8966
E-mail: albertakoreaoffice@gov.ab.ca
Website: www.albertakorea.com

TAIPEI
Alberta Taiwan Office
Canadian Trade Office
13th Floor, 365 Fu Hsing North Road
Taipei, 105, Taiwan
Tel: 011.886.2.2715-3637
Fax: 011.886.2.2715-1717
E-mail: albertataiwanoffice@gov.ab.ca
Website: www.alberta-canada.com/taiwan

LONDON
Alberta U.K. Office
Canadian High Commission
Macdonald House
1 Grosvenor Square
London, England W1K 4AB
Tel: 011.44.20.7258-6473
Fax: 011.44.20.7258-6309
E-mail: albertaukoffice@gov.ab.ca
Website: www.alberta-canada.com/uk

WASHINGTON, D.C.
Alberta Office in Washington, D.C.
Canadian Embassy
501 Pennsylvania Avenue NW
Washington, D.C. 20001
Tel: (202) 448-6475
Fax: (202) 448-6477
E-mail: albertainwashington@canadianembassy.org
Website: www.iir.gov.ab.ca/international_relations/alberta_washington_office.asp

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Alberta Economic Development
6th Floor, Commerce Place
10155 – 102 Street
Edmonton, Alberta T5J 4L6

Tel: (780) 415-1319
Fax: (780) 422-9127

E-mail: Alberta.advantage@gov.ab.ca
Website: www.alberta-canada.com

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